

**MINNESOTA
STATE
BOARD OF
INVESTMENT**



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Julie Blaha**

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**Executive Director
& Chief Investment
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Mansco Perry

**60 Empire Drive
Suite 355
St. Paul, MN 55103
(651) 296-3328**

Fax: (651) 296-9572

**E-mail:
minn.sbi@state.mn.us**

**Website:
<http://mn.gov/sbi>**

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DATE: January 31, 2019

TO: Minnesota Legislative Reference Library

FROM: Mansco Perry III, Executive Director

MP3

SUBJECT: Report on Sudan Required by *Minnesota Statutes*, Section 11A.243

Minnesota Statutes, Section 11A.243 requires the State Board of Investment (SBI) to submit a report to the chairs of the legislative committees and divisions with jurisdiction over the State Board of Investment concerning the SBI's identification of, communication with, and discontinuance of investment in certain companies with operations in Sudan.

Section 11A.243 specifies that the SBI include in the report a:

1. Correspondence with companies:
 - Summary of parent and subsidiary companies with active business operations in Sudan, and companies with inactive business operations in Sudan; and
 - SBI letters (templates) sent to Sudan scrutinized companies by type of company and business operations as well as correspondence received from the company.
2. List of restricted investments.
3. List of all investments divested.
4. Description of any progress in having investment management firms create investment funds that exclude Sudan companies.

As provided for in Section 11A.243, subdivision 2, the SBI relies on publicly available information provided by Vigeo Eiris regarding companies with business operations in Sudan.

During the 2018 calendar year, there were 20 companies added to the restricted list, 3 companies removed from the restricted list, and 11 companies added to the divestment list.

Attachment 1 displays a list of restricted Sudan companies sent to SBI public equity managers. The managers are explicitly instructed to refrain from purchasing shares in the stocks of companies on this list.

Attachment 2 displays the current list of companies requiring divestment. The law calls for divestment of securities of companies which do not publicly announce substantial action specific to Sudan within 90 days of the SBI correspondence. For the 2018 calendar year there was a total of 1,257,743 shares liquidated and a total of 6 companies that were in the divestment process.

Enclosures

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State Board of Investment (SBI)

Minnesota Statutes 11A.243

Investment in Sudan

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11A.243 INVESTMENT IN SUDAN.

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following items have the meanings given them in this subdivision.

(b) "Active business operations" means all business operations that are not inactive business operations.

(c) "Business operations" means engaging in commerce in any form in Sudan, including by acquiring, developing, maintaining, owning, selling, possessing, leasing, or operating equipment, facilities, personnel, products, services, personal property, real property, or any other apparatus of business or commerce.

(d) "Company" means any sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association, including all wholly owned subsidiaries, majority-owned subsidiaries, parent companies, or affiliates of such entities or business associations, that exists for profit-making purposes.

(e) "Complicit" means taking actions during any preceding 20-month period that have directly supported or promoted the genocidal campaign in Darfur, including, but not limited to, preventing Darfur's victimized population from communicating with each other, encouraging Sudanese citizens to speak out against an internationally approved security force for Darfur, actively working to deny, cover up, or alter the record on human rights abuses in Darfur, or other similar actions.

(f) "Direct holdings" in a company means all securities of that company held directly by the State Board of Investment or in an account or fund in which the State Board of Investment owns all shares or interests.

(g) "Government of Sudan" means the government in Khartoum, Sudan, which is led by the national congress party (formerly known as the national Islamic front) or any successor government formed on or after October 13, 2006, including the coalition national unity government agreed upon in the comprehensive peace agreement for Sudan, and does not include the regional government of southern Sudan.

(h) "Inactive business operations" means the mere continued holding or renewal of rights to property previously operated for the purpose of generating revenues but not presently deployed for such purpose.

(i) "Indirect holdings" in a company means all securities of that company held in an account or fund, such as a mutual fund, managed by one or more persons not employed by the State Board of Investment, in which the State Board of Investment owns shares or interests together with other investors not subject to the provisions of this section.

(j) "Marginalized populations of Sudan" include, but are not limited to, the portion of the population in the Darfur region that has been genocidally victimized; the portion of the population of southern Sudan victimized by Sudan's north-south civil war; the Beja, Rashidiya, and other similarly underserved groups of eastern Sudan; the Nubian and other similarly underserved groups in Sudan's Abyei, Southern Blue Nile, and Nuba Mountain regions; and the Amri, Hamadab, Manasir, and other similarly underserved groups of northern Sudan.

(k) "Military equipment" means weapons, arms, military supplies, and equipment that readily may be used for military purposes, including, but not limited to, radar systems or military-grade transport vehicles, or supplies or services sold or provided directly or indirectly to any force actively participating in armed conflict in Sudan.

(l) "Mineral extraction activities" include exploring, extracting, processing, transporting, or wholesale selling or trading of elemental minerals or associated metal alloys or oxides (ore), including gold, copper,

chromium, chromite, diamonds, iron, iron ore, silver, tungsten, uranium, and zinc, as well as facilitating such activities, including the provision of supplies or services in support of such activities.

(m) "Oil-related activities" include, but are not limited to, owning rights to oil blocks; exporting, extracting, producing, refining, processing, exploring for, transporting, selling, or trading of oil; constructing, maintaining, or operating a pipeline, refinery, or other oil-field infrastructure; and facilitating such activities, including the provision of supplies or services in support of such activities, provided that the mere retail sale of gasoline and related consumer products shall not be considered oil-related activities.

(n) "Power production activities" means any business operation that involves a project commissioned by the National Electricity Corporation (NEC) of Sudan or other similar government of Sudan entity whose purpose is to facilitate power generation and delivery, including, but not limited to, establishing power-generating plants or hydroelectric dams, selling or installing components for the project, providing service contracts related to the installation or maintenance of the project, as well as facilitating such activities, including the provision of supplies or services in support of such activities.

(o) "Scrutinized company" means any company that meets the criteria in clause (1), (2), or (3):

(1) the company has business operations that involve contracts with or provision of supplies or services to:

(i) the government of Sudan;

(ii) companies in which the government of Sudan has any direct or indirect equity share;

(iii) government of Sudan-commissioned consortiums or projects; or

(iv) companies involved in government of Sudan-commissioned consortiums or projects; and

(A) more than ten percent of the company's revenues or assets linked to Sudan involve oil-related activities or mineral extraction activities; less than 75 percent of the company's revenues or assets linked to Sudan involve contracts with or provision of oil-related or mineral extracting products or services to the regional government of southern Sudan or a project or consortium created exclusively by that regional government; and the company has failed to take substantial action; or

(B) more than ten percent of the company's revenues or assets linked to Sudan involve power production activities; less than 75 percent of the company's power production activities include projects whose intent is to provide power or electricity to the marginalized populations of Sudan; and the company has failed to take substantial action;

(2) the company is complicit in the Darfur genocide; or

(3) the company supplies military equipment within Sudan, unless it clearly shows that the military equipment cannot be used to facilitate offensive military actions in Sudan or the company implements rigorous and verifiable safeguards to prevent use of that equipment by forces actively participating in armed conflict, for example, through postsale tracking of such equipment by the company, certification from a reputable and objective third party that such equipment is not being used by a party participating in armed conflict in Sudan, or sale of such equipment solely to the regional government of southern Sudan or any internationally recognized peacekeeping force or humanitarian organization.

Notwithstanding any other provision to the contrary in this section, a social development company that is not complicit in the Darfur genocide shall not be considered a scrutinized company.

(p) "Social development company" means a company whose primary purpose in Sudan is to provide humanitarian goods or services, including medicine or medical equipment, agricultural supplies or infrastructure, educational opportunities, journalism-related activities, information or information materials, spiritual-related activities, services of a purely clerical or reporting nature, food, clothing, or general consumer goods that are unrelated to oil-related activities, mineral extraction activities, or power production activities.

(q) "Substantial action" means adopting, publicizing, and implementing a formal plan to cease scrutinized business operations within one year and to refrain from any such new business operations; undertaking significant humanitarian efforts in conjunction with an international organization, the government of Sudan, the regional government of southern Sudan, or a nonprofit entity that has been evaluated and certified by an independent third party to be in substantial relationship to the company's Sudan business operations and of benefit to one or more marginalized populations of Sudan; or through engagement with the government of Sudan, materially improving conditions for the genocidally victimized population in Darfur.

Subd. 2. Identification of companies. (a) Within 90 days following May 23, 2007, the State Board of Investment shall make its best efforts to identify all scrutinized companies in which the State Board of Investment has direct or indirect holdings or could possibly have such holdings in the future. Such efforts shall include, as appropriate:

(1) reviewing and relying, as appropriate in the State Board of Investment's judgment, on publicly available information regarding companies with business operations in Sudan, including information provided by nonprofit organizations, research firms, international organizations, and government entities;

(2) contacting asset managers contracting with the State Board of Investment who invest in companies with business operations in Sudan; or

(3) contacting other institutional investors that have divested from or engaged with companies that have business operations in Sudan.

(b) At the first meeting of the State Board of Investment after it has completed the requirements of paragraph (a), the State Board of Investment shall assemble a list of scrutinized companies.

(c) The State Board of Investment shall update the scrutinized companies list each quarter based on continuing information, including, but not limited to, information from sources identified in paragraph (a).

Subd. 3. Engagement of scrutinized companies. The State Board of Investment shall use the following procedure for companies on the scrutinized companies list:

(a) After completing the list required under subdivision 2, paragraph (a), the State Board of Investment shall immediately identify the companies on the list in which the State Board of Investment owns direct or indirect holdings.

(b) For each company identified in paragraph (a) with only inactive business operations, the State Board of Investment shall send a written notice to the company with information about this section and encourage it to continue to refrain from initiating active business operations in Sudan until it is able to avoid scrutinized business operations. The State Board of Investment shall continue such correspondence on a semiannual basis.

(c) For each company newly identified in paragraph (a) with active business operations, the State Board of Investment shall send a written notice informing the company of its scrutinized company status and that it may become subject to divestment by the State Board of Investment. The notice shall offer the company the opportunity to clarify its Sudan-related activities and shall encourage the company, within 90 days, to

either cease its scrutinized business operations or convert such operations to inactive business operations in order to avoid qualifying for divestment by the State Board of Investment.

(d) If, within 90 days following the State Board of Investment's first engagement with a company under paragraph (c), that company ceases scrutinized business operations, the company shall be removed from the scrutinized companies list and the provisions of this section shall cease to apply to it unless it resumes scrutinized business operations. If, within 90 days following the State Board of Investment's first engagement, the company converts its scrutinized active business operations to inactive business operations, the company shall be subject to all provisions of this section relating to inactive business operations.

Subd. 4. Divestment. (a) If, after 90 days following the State Board of Investment's first engagement with a company under subdivision 3, paragraph (c), the company continues to have scrutinized active business operations, and only while the company continues to have scrutinized active business operations, the State Board of Investment shall sell, redeem, divest, or withdraw all publicly traded securities of the company, except as provided in subdivisions 5 to 11, according to the following schedule:

(1) at least 50 percent of the assets in the company shall be removed from the State Board of Investment's assets under management by nine months after the company's most recent appearance on the scrutinized companies list; and

(2) 100 percent of the assets in the company shall be removed from the State Board of Investment's assets under management within 15 months after the company's most recent appearance on the scrutinized companies list.

(b) If a company that ceased scrutinized active business operations following engagement under subdivision 3, paragraph (c), resumes such operations, paragraph (a) shall immediately apply to the company and the State Board of Investment shall send a written notice to the company. The company shall also be immediately reintroduced onto the scrutinized companies list.

Subd. 5. Prohibition on acquisition of certain securities. At no time shall the State Board of Investment acquire securities of companies on the scrutinized companies list that have active business operations, except as provided in this section.

Subd. 6. Exemption. If the federal government affirmatively excludes a company from its present or any future federal sanctions regime relating to Sudan, the company is exempt from the divestment and investment requirements of subdivisions 4 and 5.

Subd. 7. Excluded securities. Notwithstanding any other provision in this section to the contrary, subdivisions 4 and 5 do not apply to indirect holdings in actively managed investment funds. The State Board of Investment shall submit letters to the managers of investment funds containing companies with scrutinized active business operations requesting the managers to consider removing such companies from the fund or to create a similar actively managed fund with indirect holdings that do not include the companies. If a manager creates a similar fund, the State Board of Investment shall promptly replace all applicable investments with investments in the similar fund consistent with prudent investing standards. For the purposes of this section, "private equity" funds shall be deemed to be actively managed investment funds.

Subd. 8. Reporting. (a) Within 30 days after creating the scrutinized companies list, the State Board of Investment shall submit the list to the chairs of the legislative committees and divisions with jurisdiction over the State Board of Investment.

(b) By January 15, 2008, and on January 15 of each year thereafter, the State Board of Investment shall submit a report to the chairs of the legislative committees and divisions with jurisdiction over the State Board

of Investment and send a copy of that report to the United States Presidential Special Envoy to Sudan or the appropriate designee or successor for the envoy. The report must include:

- (1) a summary of correspondence with companies engaged by the State Board of Investment under subdivision 3, paragraphs (b) and (c);
- (2) a list of all investments sold, redeemed, divested, or withdrawn in compliance with subdivision 4;
- (3) a list of all prohibited investments under subdivision 5; and
- (4) a description of any progress made under subdivision 7.

Subd. 9. **Expiration.** This section shall expire upon the occurrence of any of the following:

- (1) the Congress or president of the United States declares that the Darfur genocide has been halted for at least 12 months;
- (2) the United States revokes all sanctions imposed against the government of Sudan;
- (3) the Congress or president of the United States declares that the government of Sudan has honored its commitments to cease attacks on civilians, demobilize and demilitarize the Janjaweed and associated militias, grant free and unfettered access for deliveries of humanitarian assistance, and allow for the safe and voluntary return of refugees and internally displaced persons; or
- (4) the Congress or president of the United States, through legislation or executive order, declares that mandatory divestment of the type provided for in this section interferes with the conduct of United States foreign policy.

Subd. 10. **Other legal obligations.** The State Board of Investment is exempt from any statutory or common law obligations that conflict with actions taken in compliance with this section, including all good faith determinations regarding companies as required by this section, including any obligations regarding the choice of asset managers, investment funds, or investments for the State Board of Investment's securities portfolios.

Subd. 11. **Reinvestment in certain companies with scrutinized active business operations.** Notwithstanding any provision of this section to the contrary, the State Board of Investment shall be permitted to cease divesting from certain scrutinized companies under subdivision 4 or to reinvest in certain scrutinized companies from which it divested under subdivision 4 if clear and convincing evidence shows that the value for all assets under management by the State Board of Investment is equal to or less than 99.5 percent (50 basis points) of the hypothetical value of all assets under management by the State Board of Investment without any divestment for any company under subdivision 4. Cessation of divestment, reinvestment, or any subsequent ongoing investment authorized by this subdivision shall be strictly limited to the minimum steps necessary to avoid the contingency. For any cessation of divestment, reinvestment, or subsequent ongoing investment authorized by this subdivision, the State Board of Investment shall provide a written report to the chairs of the legislative committees and divisions with jurisdiction over the State Board of Investment in advance of initial reinvestment, updated semiannually thereafter as applicable, setting forth the reasons and justification, supported by clear and convincing evidence, for its decisions to cease divestment, reinvest, or remain invested in companies with scrutinized active business operations. This subdivision does not apply to reinvestment in companies because they have ceased scrutinized active business operations.

History: 2007 c 117 s 1

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State Board of Investment (SBI)

2018

**Summary of Correspondence
with Sudan Scrutinized Companies**

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Minnesota State Board of Investment
Correspondence with Sudan Scrutinized Companies
2018 Calendar Year Quarterly Activity

Scrutinized Company Name	Country (Company Location)	Quarter	Date of Letter Sent by the SBI	Type of Letter Sent (Active/Inactive* & Parent/Subsidiary)	Response Received from Scrutinized Company
Schuler AG	Germany	4Q 2017	1/5/2018	Active Company Letter	Yes, letter received on 2/20/2018.
Etablissemments Maurel et Prom	France	4Q 2017	1/5/2018	Active Company Letter	Yes, letter received on 3/30/2018.
Wartsila OYJ ABP	Finland	4Q 2017	1/5/2018	Active Company Letter	No response received as of 1/18/2019.
Poly Culture Group Corporation Ltd	China	4Q 2017	1/5/2018	Active Company Letter	No response received as of 1/18/2019.
Shanghai Prime Machinery Company Limited	China	4Q 2017	1/5/2018	Active Company Letter	No response received as of 1/18/2019.
China Petroleum Engineering Corporation	China	4Q 2017	1/5/2018	Active Company Letter	No response received as of 1/18/2019.
ENGIE (parent company)	France	4Q 2017	1/19/2018	Active Company Letter	Yes, letter received on 2/7/2018.
ENGIE Brasil Energia SA (subsidiary of ENGIE)	Brazil	4Q 2017	1/19/2018	Active Company Letter	No response received as of 1/18/2019.
ENGIE Energia Peru SA (subsidiary of ENGIE)	Peru	4Q 2017	1/19/2018	Active Company Letter	No response received as of 1/18/2018.
ENGIE Energia Chile SA (subsidiary of ENGIE)	Chile	4Q 2017	1/19/2018	Active Company Letter	No response received as of 1/18/2019.
Siemens AG (parent company)	Germany	4Q 2017	1/19/2018	Active Company Letter	No response received as of 1/18/2019.
Siemens Gamesa Renewable Energy (subsidiary of Siemens AG)	Germany	4Q 2017	1/19/2018	Active Company Letter	No response received as of 1/18/2019.
China National Petroleum Company (parent company)	China	4Q 2017	1/19/2018	Active Company Letter	No response received as of 1/18/2019.
CNPC Capital Company Limited (subsidiary of China National Petroleum Company)	China	4Q 2017		Active Company Letter	No response received as of 1/18/2019.
GAZ Group (parent company)	Russia	4Q 2017	1/19/2018	Active Company Letter	No response received as of 1/18/2019.
Yaroslavy Diesel Equipment Plant OAO (subsidiary of GAZ Group)	Russia	4Q 2017	1/19/2018	Active Company Letter	No response received as of 1/18/2019.

Minnesota State Board of Investment
Correspondence with Sudan Scrutinized Companies
2018 Calendar Year Quarterly Activity

Scrutinized Company Name	Country (Company Location)	Quarter	Date of Letter Sent by the SBI	Type of Letter Sent (Active/Inactive* & Parent/Subsidiary)	Response Received from Scrutinized Company
KAMAZ PJSC (parent company)	Russia	4Q 2017	1/19/2018	Active Company Letter	Yes, letter received on 4/16/2018.
Tuimazinsky Zavod Avtobetonovozov OJSC (subsidiary of KAMAZ)	Russia	4Q 2017	1/19/2018	Active Company Letter	Yes, letter received on 4/16/2018.
Energold Drilling Corporation	Canada	1Q 2018	4/6/2018	Active Company Letter	No response received as of 1/18/2019.
Aviation Industry Corporation of China (parent company)	China	1Q 2018	4/6/2018	Active Parent Company Letter	No response received as of 1/18/2019.
AVIC International Holding (HK) Limited (subsidiary of Aviation Industry Corporation of China)	Hong Kong	1Q 2018	4/6/2018	Active Subsidiary Company Letter	No response received as of 1/18/2019.
AVIC International Maritime Holdings Limited (subsidiary of Aviation Industry Corporation of China)	Singapore	1Q 2018	4/6/2018	Active Subsidiary Company Letter	No response received as of 1/18/2019.
AviChina Industry & Technology Company Limited (subsidiary of Aviation Industry Corporation of China)	China	1Q 2018	4/6/2018	Active Subsidiary Company Letter	No response received as of 1/18/2019.
China Avionics Systems Co. Ltd. (subsidiary of Aviation Industry Corporation of China)	China	1Q 2018	4/6/2018	Active Subsidiary Company Letter	No response received as of 1/18/2019.
FACC AG (subsidiary of Aviation Industry Corporation of China)	Austria	1Q 2018	4/6/2018	Active Subsidiary Company Letter	No response received as of 1/18/2019.
KHD Humboldt Wedag International AG (subsidiary of Aviation Industry Corporation of China)	Germany	1Q 2018	4/6/2018	Active Subsidiary Company Letter	No response received as of 1/18/2019.
Nexteer Automotive Group (subsidiary of Aviation Industry Corporation of China)	Cayman Islands	1Q 2018	4/6/2018	Active Subsidiary Company Letter	Yes, letter received on 7/5/2018.
Sichuan Chengfei Integration Technology Co. Ltd. (subsidiary of Aviation Industry Corporation of China)	China	1Q 2018	4/6/2018	Active Subsidiary Company Letter	No response received as of 1/18/2019.
ASEC Company for Mining (ASCOM)	Egypt	1Q 2018	4/19/2018	InActive Company Letter	Response not required.
Bharat Heavy Electricals Limited	India	1Q 2018	4/19/2018	InActive Company Letter	Response not required.
China Machinery Engineering Corporation	China	1Q 2018	4/19/2018	InActive Company Letter	Response not required.
Citadel Capital SAE (Qalaa Holdings)	Egypt	1Q 2018	4/19/2018	InActive Company Letter	Response not required.

Minnesota State Board of Investment
Correspondence with Sudan Scrutinized Companies
2018 Calendar Year Quarterly Activity

Scrutinized Company Name	Country (Company Location)	Quarter	Date of Letter Sent by the SBI	Type of Letter Sent (Active/Inactive* & Parent/Subsidiary)	Response Received from Scrutinized Company
Aviation Industry Corporation of China (parent company)	China	2Q 2018	6/29/2018	Active Parent Company Letter	No response received as of 1/18/2019.
AECC Aviation Power Company Limited (subsidiary of Aviation Industry Corporation of China)	China	2Q 2018	6/29/2018	Active Subsidiary Company Letter	No response received as of 1/18/2019.
AVIC Electromechanical Systems Co. Ltd. (subsidiary of Aviation Industry Corporation of China)	China	2Q 2018	6/29/2018	Active Subsidiary Company Letter	No response received as of 1/18/2019.
ENGIE (parent company)	France	2Q 2018	6/29/2018	Active Parent Company Letter	No response received as of 1/18/2019.
Glow Energy PCL (subsidiary of ENGIE)	Thailand	2Q 2018	6/29/2018	Active Subsidiary Company Letter	No response received as of 1/18/2019.
Al Kamil Power Company (subsidiary of ENGIE)	Oman	2Q 2018	6/29/2018	Active Subsidiary Company Letter	No response received as of 1/18/2019.
Electro Power Systems (subsidiary of ENGIE)	France	2Q 2018	6/29/2018	Active Subsidiary Company Letter	No response received as of 1/18/2019.
Siemens AG (parent company)	Germany	2Q 2018	7/2/2018	Active Parent Company Letter	No response received as of 1/18/2019.
Siemens Healthineers (subsidiary of Siemens AG)	Germany	2Q 2018	7/2/2018	Active Subsidiary Company Letter	No response received as of 1/18/2019.
Oil and Natural Gas Corporation Limited (parent company)	India	2Q 2018	7/2/2018	Active Parent Company Letter	Yes, letter received on 1/12/2019.
Hindustan Petroleum Corporation Limited (subsidiary of Oil and Natural Gas Corporation Limited)	India	2Q 2018	7/2/2018	Active Subsidiary Company Letter	Yes, letter received on 1/12/2019 from Oil and Natural Gas Corporation Limited (parent company).
General Electric (parent company)	USA	3Q 2018	10/2/2018	Active Parent Company Letter	Yes, letter received on 11/13/2018.
Baker Hughes a GE Co. (subsidiary of GE)	USA	3Q 2018	10/2/2018	Active Subsidiary Company Letter	Yes, letter received on 11/13/2018.
Shanghai Electric Group Company (parent company)	China	4Q 2018	12/31/2018	Active Parent Company Letter	No response received as of 1/18/2019.
Shanghai Mechanical and Electrical Industry Co. Ltd. (subsidiary of Shanghai Electric Group Company)	China	4Q 2018	12/31/2018	Active - Subsidiary Company Letter	No response received as of 1/18/2019.

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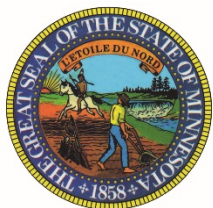
State Board of Investment (SBI)

Examples of Letters sent to Sudan Scrutinized Companies

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Example of Active Company Letter sent to Sudan Scrutinized Companies

MINNESOTA STATE BOARD OF INVESTMENT



Board Members:

Governor
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Steve Simon

Attorney General
Lori Swanson

Executive Director & Chief Investment Officer

Mansco Perry

*60 Empire Drive
Suite 355
St. Paul, MN 55103
(651) 296-3328
Fax: (651) 296-9572*

*E-mail:
minn.sbi@state.mn.us*

*Website:
<http://mn.gov/sbi>*

*An Equal Opportunity
Employer*

[Date]

[Chairman or CEO Name]

[Title]

[Company Name]

[Address]

[City, State or Country, Postal Code]

Dear [Contact Name]:

The Minnesota State Board of Investment (MSBI) is writing to you as required by provisions of Minnesota Statutes, section 11A.243, which concerns investments in companies with business operations in Sudan.

The law of Minnesota Statute, section 11A.243, attached, requires the MSBI to identify and engage with all “scrutinized companies” in which the MSBI has direct or indirect holdings or could possibly have such holdings in the future. The Board utilizes the EIRIS Conflict Risk Network (CRN) as its source for this information.

[Company Name] has been identified by CRN as a company with active business operations in Sudan through dealer, distributorship, and possible other arrangements. The MSBI encourages [Company Name] to either cease its scrutinized business operations or convert such operations to inactive business operations. The MSBI requests that, by **[Due Date – 90 days from letter]**, you clarify to us in writing your current Sudan-related business operations.

If [Company Name] chooses not to comply with our request, the legislation clearly calls for a phased divestment of any securities related to your company that the MSBI owns.

Please send a written response to:

LeaAnn M. Stagg
Assistant Executive Director and Chief Operating Officer
Minnesota State Board of Investment
60 Empire Drive, Suite 355
St. Paul, MN 55103-3555

Please contact me at (651) 296-3328 if you have any questions.

Sincerely,

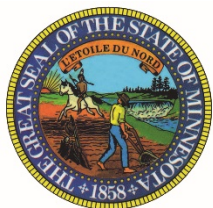
LeaAnn M. Stagg
Assistant Executive Director and
Chief Operating Officer

Enclosure

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Example of Active Parent Company Letter Sent to Sudan Scrutinized Companies

MINNESOTA STATE BOARD OF INVESTMENT



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Mansco Perry

60 Empire Drive
Suite 355
St. Paul, MN 55103
(651) 296-3328
Fax: (651) 296-9572

E-mail:
minn.sbi@state.mn.us

Website:
<http://mn.gov/sbi>

An Equal Opportunity
Employer

[Date]

[Chairman or CEO Name]

[Title]

[Company Name]

[Address]

[City, State or Country, Postal Code]

Dear [Contact Name]:

The Minnesota State Board of Investment (MSBI) is writing to you as required by provisions of Minnesota Statutes, section 11A.243, which concerns investments in companies with business operations in Sudan.

The law of Minnesota Statute, section 11A.243, attached, requires the MSBI to identify and engage with all "scrutinized companies" in which the MSBI has direct or indirect holdings or could possibly have such holdings in the future. The Board utilizes the EIRIS Conflict Risk Network (CRN) as its source for this information.

[Parent Company Name] and its subsidiaries mentioned below have been identified by CRN as companies with active business operations in Sudan through dealer, distributorship, and possible other arrangements.

Companies Identified by CRN as Scrutinized Companies:

Parent Company: [Parent Company] [Country]

Subsidiary Companies:

• [Subsidiary Company Name] [Country]

Please note that a letter will be sent to each subsidiary company listed above. A copy of the subsidiary company letters are attached.

The MSBI encourages [Parent Company Name] and its subsidiaries to either cease their scrutinized business operations or convert to inactive business operations. The MSBI requests that you clarify to us in writing, by [Due Date – 90 days from letter date], your current Sudan-related business operations.

If **[Parent Company Name]** chooses not to comply with our request, the legislation clearly calls for a phased divestment of any securities related to your company that the MSBI owns.

Please send a written response to:

LeaAnn M. Stagg
Assistant Executive Director and Chief Operating Officer
Minnesota State Board of Investment
60 Empire Drive, Suite 355
St. Paul, MN 55103-3555

Please contact me at (651) 296-3328 if you have any questions.

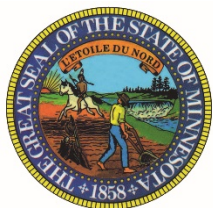
Sincerely,

LeaAnn M. Stagg
Assistant Executive Director and
Chief Operating Officer

Enclosures

Example of Active Subsidiary Company Letter Sent to Sudan Scrutinized Companies

MINNESOTA STATE BOARD OF INVESTMENT



Board Members:

Governor
Mark Dayton

State Auditor
Rebecca Otto

Secretary of State
Steve Simon

Attorney General
Lori Swanson

Executive Director & Chief Investment Officer

Mansco Perry

60 Empire Drive
Suite 355
St. Paul, MN 55103
(651) 296-3328
Fax: (651) 296-9572

E-mail:
minn.sbi@state.mn.us

Website:
<http://mn.gov/sbi>

An Equal Opportunity
Employer

[Date]

[Chairman or CEO Name]

[Title]

[Company Name]

[Address]

[City, State or Country, Postal Code]

Dear [Contact Name]:

The Minnesota State Board of Investment (MSBI) is writing to you as required by provisions of Minnesota Statutes, section 11A.243, which concerns investments in companies with business operations in Sudan.

The law of Minnesota Statute, section 11A.243, attached, requires the MSBI to identify and engage with all “scrutinized companies” in which the MSBI has direct or indirect holdings or could possibly have such holdings in the future. The Board utilizes the EIRIS Conflict Risk Network (CRN) as its source for this information.

As a subsidiary of [Parent Company Name], a “scrutinized” company under the targeted Sudan divestment legislative model, [Subsidiary Company Name] has been added to CRN’s Sudan Company Report as a scrutinized company.

The MSBI encourages [Parent Company Name] and its subsidiaries to either cease their scrutinized business operations or convert to inactive business operations. The MSBI requests that you clarify to us in writing, by [Due Date – 90 days from letter date], your or your parent company’s current Sudan-related business operations.

If [Parent Company Name] / [Subsidiary Company Name] chooses not to comply with our request, the legislation clearly calls for a phased divestment of any securities related to your company that the MSBI may own.

Please send a written response to:

LeaAnn M. Stagg
Assistant Executive Director and Chief Operating Officer
Minnesota State Board of Investment
60 Empire Drive, Suite 355
St. Paul, MN 55103-3555

Please contact me at (651) 296-3328 if you have any questions.

Sincerely,

LeaAnn M. Stagg
Assistant Executive Director and
Chief Operating Officer

Enclosure

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Example of InActive Company Letter Sent to Sudan Scrutinized Companies

**MINNESOTA
STATE
BOARD OF
INVESTMENT**



Board Members:

Governor
Mark Dayton

State Auditor
Rebecca Otto

Secretary of State
Steve Simon

Attorney General
Lori Swanson

**Executive Director
& Chief Investment
Officer**

Mansco Perry

**60 Empire Drive
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**Website:
<http://mn.gov/sbi>**

**An Equal Opportunity
Employer**

[Date]

[Chairman or CEO Name]

[Title]

[Company Name]

[Address]

[City, State or Country, Postal Code]

Dear [Contact Name]:

The Minnesota State Board of Investment (MSBI) is writing to you as required by provisions of Minnesota Statutes, section 11A.243, which concerns investments in companies with business operations in Sudan.

The law of Minnesota Statute, section 11A.243, attached, requires the MSBI to identify and notify all companies in which the MSBI has direct or indirect holdings, or could possibly have such holdings in the future, that have been historically identified as "scrutinized" with respect to Sudan operations. The Board utilizes the EIRIS Conflict Risk Network (CRN) as its source for this information.

[Company Name] has been identified by CRN as a company that historically has had active business operations in Sudan but currently has inactive business operations in Sudan through dealer, distributorship, and possible other arrangements. The MSBI encourages **[Company Name]** to continue to refrain from initiating active business operations in Sudan.

If **[Company Name]** should choose to initiate active business operations again in Sudan, the legislation clearly calls for a phased divestment of any securities related to your company that the MSBI owns.

Please contact Iryna Shafir at (651) 215-0752 if you have any questions.

Sincerely,

LeaAnn M. Stagg
Assistant Executive Director and
Chief Operating Officer

Enclosure

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State Board of Investment (SBI)

Response Letters Received from Sudan Scrutinized Companies

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From: [Barna, Shannon \(GE Global Operations\)](#)
To: [MN_SBI_Minn_SBI](#)
Cc: [Marquez, Diego \(GE Global Operations\)](#); [Smith, Ellen \(BHGE\)](#); [Sandstrom, Brian \(GE Corporate\)](#); [Smith, Brandon \(GE Corporate\)](#); [Butler, Lorrie \(GE Corporate\)](#); [Chen, Julia \(GE Corporate\)](#)
Subject: RE: MSBI Letter to GE regarding Sudan Business Operations
Date: Tuesday, November 13, 2018 7:43:55 AM

Dear Ms. Stagg,

This email responds to the letters that General Electric (“GE”) and Baker Hughes, a GE Company (“BHGE”) received dated October 2, 2018 from the Minnesota State Board of Investment. The letter informed GE and BHGE that they had been identified as having active business operations in Sudan. We understand that BHGE has been added to the Conflict Risk Network’s Sudan Scrutinized Company Report.

Subd. 6 of Section 11A.243 of the Minnesota Statutes exempts a company from divestment and investment requirements “[i]f the federal government affirmatively excludes a company from its present or any future federal sanctions regime relating to Sudan.” In addition, Subd. 9 states that Section 11A.243 will expire upon the occurrence of any one of four separate events. Subd. 9(2) states that Section 11A.243 will expire “when the United States revokes all sanctions imposed against the Government of Sudan.”

Prior to 2017, GE's contacts with Sudan related only to licensed humanitarian business conducted by GE Healthcare. In January 2017, OFAC issued a general license effectively lifting most economic sanctions against Sudan. In October 2017, executive orders that prohibited activity with the Government of Sudan and the petroleum and petrochemical industries in Sudan were revoked. Accordingly, GE and BHGE began to explore business opportunities in Sudan in 2017 while remaining mindful of Sudan’s designation as a State Sponsor of Terrorism and the applicable U.S. export licensing requirements implemented by the U.S. Department of Commerce.

GE businesses are currently pursuing opportunities in the areas of oilfield services, petroleum products, healthcare, renewable energy, gas power systems, power generation projects and railway transportation. For example, BHGE has signed a Master Service Agreement with National Upstream Solutions Co. Ltd to develop Sudan’s upstream oil field services, and the Renewable Energy business has contracted to provide a site intervention at the Merowe Dam in Sudan. Please let us know if you require additional information about these activities.

We feel that GE and BHGE should be exempt from the divestment requirements in Section 11A.243. Where applicable, GE and BHGE have obtained U.S. Department of Commerce licenses for their activities; this authorization excludes GE and BHGE from federal sanctions as described in Subd. 6 of Section 11A.243. The removal of OFAC sanctions against the Government of Sudan and the petroleum and petrochemical industries can also be viewed as the US Government excluding the types of activities undertaken by GE and BHGE from its federal sanctions regime. In the alternative, GE and BHGE would argue that the condition of Subd. 9(2) were met in October 2017 when OFAC removed sanctions against the Government of Sudan. Although blocking sanctions remain in place under OFAC’s Darfur sanctions, these sanctions target only seven individuals and one entity. The Darfur blocking sanctions are not targeted against the Government of Sudan as a whole.

We would welcome your input on this interpretation. Please let us know if you would like to set up a call.

Best regards,

Shannon Barna

Senior Counsel - Sanctions
GE Global Operations – ITC COE
T: +1 202-637-4081
M: +1 202-306-0715

From: MN_SBI_Minn SBI <minn.sbi@state.mn.us>
Sent: Tuesday, October 2, 2018 3:23 PM
To: ~Corp IR Contacts <Investor@ge.com>
Subject: MSBI Letter to GE regarding Sudan Business Operations

Investor Relations,

This email is being sent on behalf of LeaAnn M. Stagg, Assistant Executive Director & Chief Operating Officer of the Minnesota State Board of Investment.

As required by provisions of Minnesota Statutes, section 11A.243, which concerns investments in companies with business operations in Iran, please forward the Minnesota State Board of Investment's attached letter to Mr. Larry Culp, Chief Executive Officer, General Electric.

Please confirm receipt of this email.

If you have any questions, contact our office at (651) 296-3328 or minn.sbi@state.mn.us.

Sincerely,

Minnesota State Board of Investment

60 Empire Drive, Suite 355, St. Paul, MN 55103
P 651-296-3328 **F** 651-296-9572
Email: minn.sbi@state.mn.us



Isabelle Kocher

Chief Executive Officer

Ms. STAGG

Assistant Executive Director & Chief Operating Officer
Minnesota State Board of Investment
60 Empire Drive, Suite 355
St. Paul, MN 55103-3555

Paris, 2nd February 2018

Dear Ms. Stagg,

Further to your letter dated January 19th 2018, regarding potential business operations in Sudan of ENGIE Brasil Energia SA, ENGIE Chile SA and ENGIE Peru SA, we are pleased to have the opportunity to explain the position of these entities on Sudan.

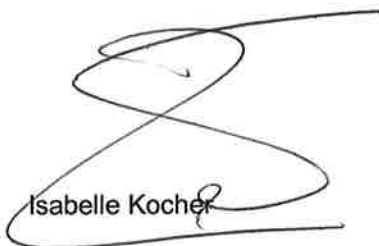
Please note that neither ENGIE Brasil Energia SA, nor ENGIE Chile SA, nor ENGIE PERU SA have any active business operations in Sudan through dealer and distributorship arrangements or otherwise.

Pursuant to the provisions of Minnesota Statutes section 11A.243, these entities cannot therefore be considered as "Scrutinized Companies", we then thank you in advance to remove these entities from the scrutinized companies list.

We appreciate your openness towards our company and the efforts you make in engaging with ENGIE.

We hope the above response shed some light on the information requested in your letter and we remain at your disposal for any further questions you may have.

Yours sincerely,



Isabelle Kocher

ENGIE

1, place Samuel de Champlain, Faubourg de l'Arche
92930 Paris La Défense Cedex, France
T +33 (0) 1 44 22 00 00

ENGIE : SA au capital de 2 435 285 011 euros

RCS Nanterre 542 107 651

Siège Social : 1, place Samuel de Champlain, 92400 Courbevoie, France

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Башкортостан Республикаһы
ТУЙМАЗЫ БЕТОН ТАШЫУСЫ
АВТОМОБИЛДӘР ЙЫҢАЗЛАУ
ЗАВОДЫ
Асых акционерҙар йәмғиәте

452755, Туймазы ҡалаһы,
Октябрьҙең 70йыллығы урамы, 17



Республика Башкортостан
Публичное акционерное общество
ТУЙМАЗИНСКИЙ
ЗАВОД
АВТОБЕТОНОВОЗОВ

452755, г. Туймазы,
ул. 70 лет Октября, 17

Тел./факс (34782) 7-10-11/7-34-61 .
ОКПО 05750875, ОГРН 1020202210126,
ИНН/КПП 0269008334/026901001

E-mail: pr-gdtza@kamaz.ru

31.01.2018г. N 64/88-7RT

Deputy Corporate Director,

KAMAZ PTC

A.A.Trubnikov

Dear Alexey Anatolyevich!

In reply to your request №50-25KT от 30.01.2018г. according the possible activities of «TZA», PTC in Sudan, I inform you about the following:

«TZA», PTC has not made any deliveries to Sudan with the help of it's own dealer and distributor networks as well.

General Director,

Kurganov



ПУБЛИЧНОЕ АКЦИОНЕРНОЕ ОБЩЕСТВО «КАМАЗ»

пр. Автозаводский, 2, г. Набережные Челны,
Республика Татарстан, Россия, 423827
тел. (8552) 45-25-25; факс (8552) 45-28-28
О Г Р Н 1 0 2 1 6 0 2 0 1 3 9 7 1

Attn.: Mrs. LeeAnn M. Stagg,
Assistant Executive Director and Chief
Operating Officer,
Minnesota State Board of Investment

dd. 20.03.18 No. 50050-392

Regarding the business operations of
Tuimazinsky Zavod Avtobetonovozov PTC

Dear Mrs. LeeAnn M. Stagg,

In January 2017, one of the employees of KAMAZ Publicly-traded company (hereinafter - KAMAZ PTC) received an email with your message regarding the business operations of Tuimazinsky Zavod Avtobetonovozov PTC in Sudan ("Message").

Currently, KAMAZ PTC is a shareholder of Tuimazinsky Zavod Avtobetonovozov PTC, holding a 51,78% share in its charter capital. Tuimazinsky Zavod Avtobetonovozov PTC is an independent business entity and a publicly-traded company.

Tuimazinsky Zavod Avtobetonovozov PTC was founded in 1980 and it is one of the leaders in the manufacture of concrete mixing trucks. The main company specialization is designing and manufacture of special vehicles for construction. Information about the business operations of Tuimazinsky Zavod Avtobetonovozov PTC is posted on the company official website: <http://www.tzacom.ru/>.

Please note that the products of Tuimazinsky Zavod Avtobetonovozov PTC, for example, concrete mixer trucks, truck-mounted concrete pumps and stationary concrete pumps, are only applied in the national economy and for civilian purposes.

To the best of our knowledge, Tuimazinsky Zavod Avtobetonovozov PTC has never delivered its products to Sudan, it has no dealer or distributor network in Sudan today and never had the same in the past.

Pursuant to its Code of Corporate Ethics, KAMAZ PTC adheres to the fundamental international principles for the protection of human rights and freedoms, counteracts corruption, strictly complies with antitrust laws, refrains from commission of any unlawful actions and is intolerant of bribery, as well as any other corrupt and unlawful acts and failures to act.

Nothing in this letter shall be considered and interpreted as the acceptance by KAMAZ PTC of any facts or circumstances set forth in the Message, as wells as the consent of KAMAZ PTC to the jurisdiction of any judicial or other state authorities.

A.A.Trubnikov,
Deputy Corporate Director,
KAMAZ PTC



ETABLISSEMENTS MAUREL & PROM

SOCIETE ANONYME AU CAPITAL DE 150.412.041,01 euros

March 27th, 2018

LeaAnn M. Staag
Assistant Executive Director and Chief Operating Officer
Minnesota State Board of Investment
60 Empire Drive, Suite 355
St. Paul, MN 55103-3555
USA

Re: Minnesota Section 11A.243

Dear Sir,

As a mid-size player among petroleum exploration and production companies listed on the Paris exchange, Maurel & Prom (the "Company") founded its strategy on research, discovery and rapid production of hydrocarbons. For this, the Group selected promising territories for exploration and experts with real knowledge of the oil sector. This type of business activity implies contracts with a state where hydrocarbons can be found.

You have informed us that as a result of Maurel & Prom, in the past, had looked back into exploration interest in Sudan, MSBI has identified our Company as potentially engaging in one of the activities prohibited under Section 11A.243 of the MSBI. In response to your letter dated January 5th 2018 (copy attached), we wish to take this opportunity to clarify that our business activity would fall outside the scope of Section 11A.243 of the MSBI, as you have described it to us, and on that basis your investment in Maurel & Prom should therefore not contravene Minnesota law.

In Sudan, Maurel & Prom has never held any interests or invested in Sudan, and insignificant casual activity led a Sudanese minister, at the time, to mention in the press that he had met with Maurel & Prom. Initially, the Company was involved in evaluating an exploration block (Block 5B) in South Sudan (in 2011, prior to formal independence from Sudan, but after the independence vote was taken and recognized). After reviewing technical and geological data, it was clearly of no interest for the Company. Then, another exploration block (Block 19) was suggested to Maurel & Prom, but finally granted to a third party since the Company showed very little, if any, enthusiasm to keep evaluating technical data in Sudan. Therefore, the Company did not, at any time, held any interests in Sudan, nor conducted a commercial activity.

As you have informed us in your letter, *"Section 11A.243 (...) requires MSBI to identify all scrutinized companies, defined in the law (...) in which the MSBI has direct or indirect holdings or could possibly have such holdings in the future. (...) Etablissements Maurel & Prom has been identified as a company with active business operations in Sudan through dealer and distributorship arrangements"*, we hereby inform you that the Company never conducted its business operations in Sudan through dealer and distributorship arrangements, neither signed any production sharing contracts or agreements of this nature that could have generated a commercial activity or any sales revenue.

According to the definition of "scrutinized company" of Section 11A.243, it is provided that a "scrutinized company" company means any company that meets the criteria in clause (1), (2), or (3):

The company has business operations that involve contracts with or provision of supplies or services to:

- (i) The government of Sudan;*
- (ii) Companies in which the government of Sudan has any direct or indirect equity share;*
- (iii) Government of Sudan-commissioned consortiums or projects".*

Maurel & Prom had not been involved in contracts or provision of supplies to any of these three categories, and conditions of share capital are not satisfied neither.

"The Company supplies military equipment within Sudan (...)".

This provision is not applicable to the nature of Maurel & Prom's business worldwide, which is solely the exploration and production for oil and gas. Only such equipment and materials as is strictly necessary for our business could have been imported into the related countries, and such equipment and materials have been used only for that purpose.

In short, no further work/activity/business is currently planned to be performed by Maurel & Prom in Sudan in the future, and no revenue or other benefit is currently derived by Maurel & Prom, or is expected to be, from Sudan.

Should you have any further questions about the Maurel & Prom Group and its business activities, please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink, appearing to read 'Hochard', with a large, sweeping loop to the left.

Michel HOCHARD
Chief Executive Officer



July 2, 2018

LeaAnn M. Stagg
Assistant Executive Director and Chief Operating Officer
Minnesota State Board of Investment
60 Empire Drive, Suite 355
St. Paul, MN 55103-3555

Dear Ms. Stagg,

Pursuant to your April 6, 2018 letter, we have evaluated your inquiry based on the provisions of Minnesota Statutes, section 11A.243. We would like to inform you that, to the best of our knowledge and understanding, Nexteer Automotive Group Limited and its subsidiaries do not fall within the parameters of this statute.

It is our belief that our group does not fall within any of the three categories of "Scrutinized Companies" under section 11A.243 subd. 1. (o)(1-3). Upon inquiry we do not believe that we have any contracts with or provisions of supplies or services to the government of Sudan, with companies in which the government of Sudan has any direct or indirect equity share, Sudan-commissioned consortiums, or companies involved in government of Sudan commissioned consortiums or projects. To the best of our knowledge and understanding we are not complicit, nor have we taken any actions in any preceding 20-month period that has directly supported or promoted the genocidal campaign in Darfur, nor do we purport to have any knowledge that we supply any military equipment within Sudan which could be used to facilitate offensive military actions in Sudan.

We are a publicly traded company and Aviation Industry Corporation of China., Ltd. is, indirectly, our majority shareholder. Being that we are merely a subsidiary we are not privy to the activities of our ultimate parent or its other subsidiaries.

We are committed to be a good corporate citizen and to act responsibly in our international transactions.

Sincerely,

A handwritten signature in blue ink, appearing to read "P. M. Ziparo", with a long horizontal flourish extending to the right.

Peter M. Ziparo
Vice President and General Counsel

Nexteer Automotive Group Limited
1272 Doris Road
Auburn Hills, MI | 48326 | United States
Tel: +1-248-340-8200
www.nexteer.com

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OIL AND NATURAL GAS CORPORATION LIMITED

3rd Floor, Tower A, 5 Nelson Mandela Marg,
Vasant Kunj, New Delhi. – 110 070

Phone : +91-11-2675 3193

Mail: irc@ongc.co.in

No: ONGC/IRC/2018-19

Date: January 11, 2019

To

LeaAnn M. Stagg

Assistant Executive Director and Chief Operating Officer,

Minnesota State Board of Investment

60 Empire Drive, Suite 355

St. Paul, MN 55103-3555

Phone: (651) 296-3328

E-mail: minn.sbi@state.mn.us

Dear Madam,

Sub: Reply to your letter dated July 2, 2018

This is with reference to letter dated July 2, 2018 from the Director, Investment Administration, Minnesota State Board of Investment expressing concerns regarding ONGC's business involvement in Sudan.

We wish to take this opportunity to express our sincere thanks for your continued engagement with us and would like to assure you that ONGC greatly values its relationship with its esteemed investors like MSBI.

We would like to inform that ONGC treats the matters of Corporate Governance, Human Rights, Corporate Social Responsibility (CSR), Transparency, Climate Change and Health, Safety & Environment (HSE) with utmost importance. As you may be aware, ONGC is a signatory to the UN Global Compact ("UNGC") Principles and is fully committed to their

implementation at all times. As a matter of our policy and deep commitment towards the cause of human rights and protection of environment, we would like to explain as under:

ONGC's policy has been based on equality and non-violation of human rights. Further, being a National Oil Company of India, it is guided by various rules and regulations of the Government of India as well as various international regulations and guidelines. For all significant investments, ONGC is required to consult with the Indian Government who take into consideration various issues including human rights, geopolitical, foreign affairs and security. In practice, ONGC is bound by various legislations of the Government of India and follow them in principle, letter and spirit.

With regard to ONGC's business activities in Sudan, we would like to clarify that ONGC conducts international petroleum operations through ONGC Videsh which is its 100 % subsidiary. Some clarifications are as under:

- i. ONGC Videsh has only Exploration & Production of oil & gas related activities in Blocks 2A and 4 of Sudan. The total revenue from Sudan during FY'18 constitutes only 0.2% of the worldwide revenue and 0.83% of the total worldwide assets of the Company (ONGC consolidated).
- ii. ONGC Videsh has 25% Participating Interest (PI) in the aforementioned blocks. The other consortium partners are CNPC of China (40% PI), Petronas of Malaysia (30% PI) and Sudapet, National Oil Company of Sudan (5% PI).
- iii. The license of the Blocks 2A and 4 will expire in the year 2021.
- iv. As part of its Corporate Social Responsibility (CSR), the Company is involved in varied activities for the development of local communities by extending help and support in the fields of health, education, sports, infrastructure and agriculture.
- v. Apart from above, the Company is not involved in any power projects, mineral extraction activities, or any direct or indirect dealing in any military equipment, arms, ammunition etc. in Sudan.
- vi. The Company and/or its subsidiary companies have no direct or indirect relation or any association with any of the alleged incidents in Darfur area of Sudan.

It is our endeavor and constant effort that our activities are in alignment with the UN Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption.

We hope that the above facts and clarifications satisfy your concerns regarding the business activities of ONGC/ONGC Videsh in Sudan. Please do not hesitate to contact us should you have any further clarification or information required.

Yours Faithfully,

Investor Relations Cell,
ONGC Ltd.

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February 20, 2018

VIA FEDERAL EXPRESS AND E-MAIL

LeaAnn M. Stagg
Assistant Executive Director and
Chief Operating Officer
Minnesota State Board of Investment
60 Empire Drive
Suite 355
St. Paul, MN 55103

RE: Schuler AG

Dear Ms. Stagg,

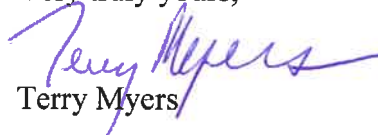
We represent the interests of Schuler AG in connection with your attached letter dated January 5, 2018 to Mr. Stefan Klebert, the CEO of Schuler AG.

Schuler AG does not have access to the EIRIS Conflict Risk Network information which, according to your letter, has provided you with information that caused you to identify Schuler AG as potentially falling within the scope of your statute. We respectfully request that you provide us with that information.

After a careful review, our client has authorized us to inform you that Schuler AG currently does not conduct and has no future plans to conduct any business operations (including but not limited to scrutinized business operations), neither directly nor indirectly through dealer or distributorship arrangements, in Sudan within the meaning of Minnesota statutes, section 11A.243. In particular, Schuler AG currently has no business operations of any kind that involve contracts with or provision of supplies or services to the persons listed in 11A.243.1(o)(1)(i) through (iv), nor does Schuler AG's activities fall within the scope of 11A.243.1(o)(2) or (3).

Please direct all further correspondence in connection with this matter to the undersigned.

Very truly yours,


Terry Myers

Enclosure

**MINNESOTA
STATE
BOARD OF
INVESTMENT**



Board Members:

Governor
Mark Dayton

State Auditor
Rebecca Otto

Secretary of State
Steve Simon

Attorney General
Lori Swanson

**Executive Director &
Chief Investment
Officer:**

Mansco Perry

60 Empire Drive
Suite 355
St. Paul, MN 55103
(651) 296-3328
FAX (651) 296-9572

E-mail:

minn.sbi@state.mn.us
www.sbi.state.mn.us

*An Equal Opportunity
Employer*

January 5, 2018

Mr. Stefan Klebert
Chief Executive Officer
Schuler AG
Schuler-Platz
73033 Göppingen
Germany

Dear Mr. Klebert:

The Minnesota State Board of Investment (MSBI) is writing to you as required by provisions of Minnesota Statutes, section 11A.243, which concerns investment in companies with business operations in Sudan.

The law requires the MSBI to identify all "scrutinized companies", defined in the law, a copy of which is attached, in which the MSBI has direct or indirect holdings or could possibly have such holdings in the future. The Board has selected the EIRIS Conflict Risk Network as its source for this information.

The Board is directed to engage all scrutinized companies in which it has direct or indirect holdings. Schuler AG has been identified as a company with active business operations in Sudan through dealer and distributorship arrangements. The MSBI encourages

Schuler AG to either cease its scrutinized business operations or convert such operations to inactive business operations. The MSBI requests that you clarify to us in writing your current Sudan-related business operations and any future plans the company may have relating to your Sudan operations by April 5, 2018.

If Schuler AG chooses not to comply with our request, the legislation clearly calls for a phased divestment of any securities related to your company that the MSBI owns.

Please send a written response to:

LeaAnn M. Stagg
Assistant Executive Director and Chief Operating Officer
Minnesota State Board of Investment
60 Empire Drive, Suite 355
St. Paul, MN 55103-3555

Please contact me at (651) 296-3328 if you have any questions.

Sincerely,

Handwritten signature of LeaAnn M. Stagg in blue ink.
LeaAnn M. Stagg
Assistant Executive Director and
Chief Operating Officer

Enclosure

State Board of Investment (SBI)

List of Sudan Prohibited (Restricted) Investments

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ATTACHMENT 1

Restricted Sudan Stocks

Company Name	Country
Andritz AG	Austria
FACC AG	Austria
Schuler AG	Austria
Engie Brasil Energia SA	Brazil
ENERGOLD Drilling Corp	Canada
Orca Gold Inc.	Canada
NEXTEER Automotive Group LTD	Cayman Islands
AECC Aviation Power Co. Ltd	China
Aviation Industry Corp of China	China
AVIC Electromechanical Systems Co. Ltd	China
AVIC International Holdings LTD	China
AVIC International Maritime	China
AVICHINA Industry & Technology Co LTD	China
CHINA AVIONICS Systems Co LTD	China
China Gezhouba Group Company Limited	China
China North Industries Group Corporation AKA CNGC/NORINCO	China
China Petrochemical Corporation	China
China Petroleum and Chemical Corporation AKA Sinopec Corp.	China
China Petroleum Engineering Corp.	China
China Poly Group Corporation	China
CNPC Capital Co Ltd.	China
Daqing Huake Group Company Limited	China
Dongfeng Motor Group Company Limited	China
Harbin Electric Company Ltd.	China
Jiangxi Hongdu Aviation	China
Petrochina Co. Ltd AKA China National Petroleum Corporation (CNPC)	China
Poly Culture Group Corp Ltd.	China
Power Construction Corporation of China (PowerChina)	China
Power Construction Corporation of China Ltd.	China
Shanghai Electric Group Co. Ltd.	China
Shanghai Prime Machinery Co. Ltd.	China
Shanghai Mechanical and Electrical Industry Co LTD	China
Sichuan Chengfei Integration Technology CORP	China
Sinopec Engineering Group Co. Ltd.	China
Sinopec Oilfield Service Corp	China
Sinopec Shanghai Petrochemicals Ltd	China
Egypt Kuwait Holding Company	Egypt
Wartsila OYJ ABP	Finland
Electro Power Systems SA	France
ENGIE	France
Engie Energia Chile SA	France

Restricted Sudan Stocks

Company Name	Country
Engie Energia Peru SA	France
KHD Humboldt Wedag Int AG	Germany
MAN SE	Germany
Renk AG	Germany
Siemens AG	Germany
Siemens Healthineers AG	Germany
Volkswagen AG	Germany
Kunlun Energy Co. Ltd	Hong Kong
Sinopec Kanton Holdings Limited	Hong Kong
Bharat Electronics Limited	India
Chennai Petroleum Corporation Ltd. AKA CPCL	India
Hindustan Petroleum Corp. Ltd	India
Indian Oil Corporation Ltd.	India
Lanka IOC Limited	India
Mangalore Refinery and Petrochemicals Limited	India
Oil & Natural Gas Corp. Ltd.	India
Oil India Limited	India
Siemens LTD	India
Energy House Holding Co KSCC, The	Kuwait
Kuwait Finance House	Kuwait
Engen Botswana Ltd. AKA Engen	Malaysia
KLCCP Stapled Group AKA KLCC Property Holdings	Malaysia
Malaysia International Shipping Company AKA MISC Berhad	Malaysia
Malaysia Marine and Heavy Engineering Holdings Bhd	Malaysia
Petroleum Nasional Berhad AKA Petronas	Malaysia
Petronas Chemicals Group Berhad	Malaysia
Petronas Dagangan Berhad	Malaysia
Petronas Gas Berhad	Malaysia
Managem	Morocco
Societe Metallurgique D'imitier	Morocco
Al Kamil Power Co. SAOG	Oman
Kamaz PJSC	Russia
Neftekamsky Avtozavod (aka NEFAZ)	Russia
GAZ Group	Russia
GAZ PJSC	Russia
Pavlovo Bus PJSC	Russia
Yaroslavlsky Diesel Equipment Plant OAO	Russia
Tui(y)mazinsky Zavod Avtobetonovozov OJSC	Russia
LS Industrial Systems	South Korea
Siemens Gamesa Renewable Energy SA	Spain
Atlas Copco AB	Sweden
Glow Energy PCL	Thailand

Restricted Sudan Stocks

Company Name	Country
Baker Hughes a GE Co	USA
General Electric	USA

Note: List contains parent companies and subsidiaries publicly traded.
AKA means “Also Known As”

Source: Vigeo Eiris Conflict Risk Network

Effective Date: December 31, 2018

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State Board of Investment (SBI)

List of Sudan Companies Requiring Divestment

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ATTACHMENT 2**Sudan Stocks Requiring Divestment**

Company Name	Country of Origin	Divest 50 Percent by this Date	Divest 100 Percent by this Date
Engie Brasil Energia SA	Brazil	9/30/2018	3/31/2019
Siemens Gamesa Renewable Energy SA	Spain	9/30/2018	3/31/2019
Wartsila OYJ ABP	Finland	9/30/2018	3/31/2019
FACC AG	Austria	12/31/2018	6/30/2019
Avichina Industry & Technology Co LTD	China	12/31/2018	6/30/2019
Nexteer Automotive Group LTD	Cayman Islands	12/31/2018	6/30/2019
Siemens Healthineers AG	Germany	3/31/2019	9/30/2019
Hindustan Petroleum Corp.	India	3/31/2019	9/30/2019
Glow Energy PCL Foreign	Thailand	3/31/2019	9/30/2019
Baker Hughes a GE CO	USA	6/30/2019	12/31/2019
General Electric CO	USA	6/30/2019	12/31/2019

Effective Date: December 31, 2018