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OREGON INVESTMENT COUNCIL  
JUNE 15, 2009  
CONFERENCE CALL MEETING MINUTES

OIC Members Present: Ben Westlund, Paul Cleary, Harry Demorest, Katy Durant, Keith Larson, Dick Solomon

Staff Present: Darren Bond, Jay Fewel, Sam Green, Andy Hayes, Jennifer Peet, Ron Schmitz, James Sinks, Michelle Winegar

Consultants Present: David Fann, Sundeep Rana and Mike Krems from PCG

Legal Counsel Present: D. Kevin Carlson, Oregon Department of Justice  
Ted Falk, Oregon Department of Justice  
Deena Bothello, Oregon Department of Justice

KKR Staff Present: Scott Nuttall

SEIU Reps Present: Linda Burgin and Dave Bolton

The OIC meeting was called to order at 1:30 pm by Katy Durant, Chair.

**I. 1:32 pm KKR European Fund III Amendment and KKR European Fund II Annex Investment:**

Scott Nuttall with KKR gave a brief overview of the proposed KKR Annex Fund. Mr. Nuttall discussed the history of Fund II and Fund III and how and why they came up with the structure that they did. Concluding that the Annex Fund is really the consequence of all discussions; it was decided that they should do this as a rights offering to the Europe II investors, giving them the opportunity to protect their existing Fund II by shifting up to 15% of the Fund III commitment amount to the Annex Fund. There is no management fee associated with the Annex Fund and a 20% preferred return on individual Fund III portfolio companies.

There was a brief question and answer session concluding with the motion.

**MOTION:** Harry Demorest moved to divert 15% of our commitment to KKR Europe III to the KKR Europe II Annex Fund; Dick Solomon seconded the motion; the vote passed by a vote of 5/0.

The meeting adjourned at 2:00 pm

Respectfully Submitted,

Julie Jackson  
Executive Assistant