

**MINUTES OF MEETING OF THE  
AUDIT AND ETHICS COMMITTEE OF THE  
BOARD OF DIRECTORS OF  
THE UNIVERSITY OF TEXAS /TEXAS A&M INVESTMENT MANAGEMENT COMPANY**

A meeting of the Audit and Ethics Committee (the "Committee") of The University of Texas/Texas A&M Investment Management Company (the "Corporation") convened in open session on **June 2, 2022**, by means of video and telephone conference enabling all persons participating in the meeting to hear each other, at the offices of the Corporation, Suite 1700, 210 West 7<sup>th</sup> Street, Austin, Texas, said meeting having been called by the Committee Chair, Janet Handley ("Chair"), with notice provided to each member in accordance with the Corporation's Bylaws. The audio portion of the meeting was broadcast over the internet. A recording of the meeting was attempted but was not successful due to a technological failure of the recording equipment. Participating in the meeting were the following members of the Committee:

Janet Handley, Chair  
Jodie L. Jiles  
James C. "Rad" Weaver

thus constituting a majority and quorum of the Committee. Clifton L. Thomas, Jr. did not attend the meeting. Chair Handley called the meeting to order at 9:00 a.m. Employees of the Corporation attending the meeting were Rich Hall, Chief Investment Officer; Joan Moeller, Secretary and Treasurer; Carolina de Onís, General Counsel and Chief Compliance Officer; Gary Hill, Managing Director - Operations, Accounting and Reporting; and other employees. Other attendees were Ben Morse of Orrick, Herrington & Sutcliffe LLP. Copies of materials supporting the Committee meeting agenda were previously furnished to each Committee member.

**Approval of Minutes**

The first matter to come before the Committee was the approval of the minutes of the Audit and Ethics Committee meeting held on March 3, 2022. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Committee:

RESOLVED, that the minutes of the Meeting of the Audit and Ethics Committee of the Board of Directors held on March 3, 2022 be, and are hereby, approved.

**Engaging Corporate External Auditor**

Chairman Handley asked Ms. Moeller to present the Corporate external auditor item. Ms. Moeller stated that, The University of Texas System issued a RFQ this past February 2022 for audit services related to the annual audit of UT System, including the audit of the investment funds. UTIMCO was represented by Gary Hill as part of the evaluation committee. She shared that upon conclusion of the RFQ process, UT System selected Deloitte and Touche LLP to continue as the UT System auditors. The Corporation has previously utilized the same auditor as the investment funds and recommends that Deloitte & Touche LLP continue as the Corporation's auditor. Ms. Moeller stated that if approved by the Board, fiscal year 2022 would be the 16<sup>th</sup> year that Deloitte & Touche LLP serves as the Corporation's auditor. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the firm of Deloitte & Touche LLP be, and is hereby, engaged as the independent auditor of the Corporation for the year ended August 31, 2022, subject to further approval of the UTIMCO Board.

### **Update on Compliance, Reporting and Audit Matters**

Chair Handley asked Mrs. de Onís to provide an update on compliance and reporting matters. Mrs. de Onís began with a compliance summary and updates on accomplishments and routine reporting. Ms. de Onís discussed the Compliance Report for the quarter ended February 28, 2022, and ethics activity for the period from March 3, 2022 to current, noting one violation from reporting period verbally reported in March and one call to the compliance hotline that was resolved. She then reported on the annual disclosure statements filed by outside financial advisors and service providers. Mrs. de Onís reported there were no new contracts of \$250,000 or more for the prior reporting end of date February 17, 2022, through May 25, 2022. She concluded with a report on the Director Private Investment Log and then answered the Committee Members' questions.

### **Presentation of Unaudited Financial Statements**

Chair Handley asked Mr. Hill to present the Unaudited Financial Statements for the Permanent University Fund ("PUF"), General Endowment Fund ("GEF"), Permanent Health Fund ("PHF"), Long Term Fund ("LTF"), and the Intermediate Term Fund ("ITF"), each for the quarter ended February 28, 2022. Mr. Hill provided highlights of the statements, with no new items or significant changes reported. Ms. Moeller reviewed the UTIMCO Corporate Financial Statements and actual versus budget expenses as well as capital budget versus actual for the seven months ended March 31, 2022.

### **Proposed Amendments to Corporation's Code of Ethics**

The discussion related to the Code of Ethics was deferred.

### **Executive Session**

Chairman Handley announced that, "The Audit and Ethics Committee of the Board of Directors of The University of Texas/Texas A&M Investment Management Company having been duly convened in Open Session and notice of this meeting having been duly given, I hereby announce the convening of a closed meeting as an Executive Session of the Committee, for the purpose of deliberating individual personnel evaluation matters, and individual compensation matters related to the General Counsel and Chief Compliance Officer's performance award as a participant in the UTIMCO Compensation Program for the 2022-2023 fiscal year. This Executive Session meeting of the Committee is authorized by *Texas Government Code* Section 551.074 (Personnel Matters). The date is June 2, 2022, and the time is now 9:21 a.m." With the exception of Mr. Hall, Ms. Moeller, and Mr. Morse, all other participants left the meeting at this time. Mr. Harris joined the meeting during the Executive Session.

**Open Session**

The Committee reconvened in open session and Chairman Handley announced that, "The Open Session of the Audit and Ethics Committee of the Board of Directors of The University of Texas/Texas A&M Investment Management Company is now reconvened. The date is June 2, 2022, and the time is now 9:31 a.m. During the Executive Session, the Committee deliberated individual personnel evaluation matters, and individual compensation matters related to the General Counsel and Chief Compliance Officer, but no action was taken nor decisions made, and no vote was called for or had by the Committee in Executive Session."

**General Counsel and Chief Compliance Officer Base Salary**

Chairman Handley recommended that the Committee and the CEO jointly recommend to the Compensation Committee, subject to approval by the UTIMCO Board, the base salary for the General Counsel and Chief Compliance Officer for the 2022-2023 fiscal year. By motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, the UTIMCO Board has established a UTIMCO Compensation Program (the "Plan") for certain employees of the Corporation; and

WHEREAS, Section 4.2.(a) of the Plan provides that the Compensation Committee of the Board of Directors of UTIMCO will determine the base salaries of key investment and operations employees; and

WHEREAS, the charter of the Audit and Ethics Committee (the "Committee") requires the Committee and the CEO to make a joint recommendation to the Compensation Committee as to the base salary for the Chief Compliance Officer; and

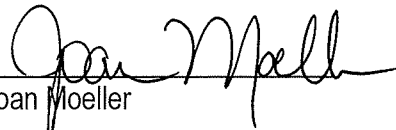
WHEREAS, the Committee and the CEO have prepared a joint recommendation regarding the base salary of the General Counsel and Chief Compliance Officer.

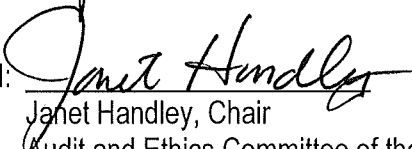
NOW, THEREFORE, be it:

RESOLVED, that the Audit and Ethics Committee approves the base salary of the General Counsel and Chief Compliance Officer as recommended by the CEO and the Audit and Ethics Committee and the CEO hereby jointly recommend to the Compensation Committee the base salary of the General Counsel and Chief Compliance Officer, effective September 1, 2022.

Adjourn

There being no further business to come before the Committee, the meeting was adjourned at approximately 9:32 a.m.

Secretary:   
Joan Woeller

Approved: 

Janet Handley, Chair  
Audit and Ethics Committee of the Board of Directors of  
The University of Texas/Texas A&M Investment Management Company

Date: Sept. 15, 2022