

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

The Board of Directors (the "Board") of The University of Texas/Texas A&M Investment Management Company (the "Corporation") convened in an open meeting on **December 9, 2022**, in person and by means of video and telephone conference enabling all persons participating in the meeting to hear each other, at the offices of the Corporation located at 210 West 7th Street, Suite 1700 in Austin, said meeting having been called by the Chairman, James C. "Rad" Weaver ("Chairman"), with notice provided to each member in accordance with the Bylaws. The audio portion of the meeting was electronically recorded and broadcast over the Internet. Participating in the meeting were the following members of the Board:

James C. "Rad" Weaver
Ray Rothrock
James B. Milliken
Robert Gauntt
Janet Handley
Jodie L. Jiles
Janiece Longoria
Ray Nixon
Clifton L. Thomas, Jr.

thus constituting a majority and quorum of the Board. Chairman Weaver called the meeting to order at 9:06 a.m. Because Chairman Weaver joined the meeting with potentially limited audio-visual capabilities, Vice Chairman Rothrock chaired the remainder of the meeting. Employees of the Corporation attending the meeting were Britt Harris, CEO and President; 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; Kim Bauer, Senior Director – Corporate Accounting; Gus Deering, Chief Technology Officer; Susan Chen, Senior Managing Director – Public Equity; and other team members. Other attendees were Jerry Kyle of Orrick, Herrington, & Sutcliffe LLP; Robert Cowley and Adrian Kusuma of Deloitte & Touche LLP; and Keith Brown of the McCombs School of Business at UT Austin. Copies of materials supporting the Board meeting agenda were previously furnished to each member of the Board.

Minutes

The first item to come before the Board was approval of the Minutes of the Board of Directors Meeting held on September 15, 2022. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Board:

RESOLVED, that the minutes of the Meeting of the Board of Directors held on September 15, 2022, be, and are hereby, approved.

CEO Update

Vice Chairman Rothrock asked Mr. Harris to provide the Board with the CEO update. Mr. Harris began by reflecting on the last few years at UTIMCO including accomplishments and lessons learned. Mr. Harris discussed markets conditions in the early 2000s, how he came to join UTIMCO, his approach to joining a new team, UTIMCO culture upon his arrival, and UTIMCO culture today. After Mr. Hall's presentation, Mr. Harris resumed his presentation with a brief demonstration of two new Artificial Intelligence technologies, Chat-GPT and DALL-E.

UTIMCO Performance and Market Update

Vice Chairman Rothrock asked Rich Hall to present the Corporation's performance and market update. Mr. Hall began by discussing market conditions thus far in 2022, noting that the markets went through a one-in-150 year event, with both Equities and Long Bonds simultaneously declining more than 10 percent. Mr. Hall explained that after 40 years of a relatively stable economic environment of declining interest rates and rising prices, the markets were adjusting in 2022 to rapid inflation and rising interest rates. Mr. Hall stated that, while the market is continuing to adjust and experience volatility, the long-term outlook, compared to 2021, appeared to have improved. Mr. Hall then continued his presentation, discussing portfolio performance. As of September 30, 2022, the Corporation had approximately \$65 billion of assets under management, specifically: \$30.8 billion in the Permanent University Fund ("PUF"), \$21.3 billion in the Long Term Fund ("LTF"), \$1.6 billion in the Permanent Health Fund ("PHF"); \$8.8 billion in the Intermediate Term Fund ("ITF"), \$2.7 billion in the Short Term Fund ("STF"), and \$0.2 billion in other funds. He discussed the diversification framework within the PUF and GEF ("Endowments") as well as the diversification provided by University Lands. Since 2018, the total value of the Endowments and University Lands has increased from approximately \$42 billion to \$64 billion combined. Additionally, for fiscal year 2022, University Lands has contributed \$2.1 billion in royalties to the PUF. Mr. Hall then discussed returns and alpha for the Endowments and ITF, as well as the return attribution and alpha attribution by asset class respectively. Mr. Hall went on to present a performance comparison of UTIMCO's Trust Universe Comparison Service ("TUCS") to peers, noting that UTIMCO is in the top quintile on the 1-year and top decile on the 3-year in terms of returns, outperforming by approximately 7%. Mr. Hall wrapped up his presentation recognizing the challenging market environment over the last year but noting that the portfolio is in a good position to capitalize on market opportunity going forward, highlighting the diversification within the portfolio, as well as externally by University Lands. He then answered questions from the Board.

Operations Presentation

Vice Chairman Rothrock invited Gary Hill and Kim Bauer to provide an overview of the Operations teams and their responsibilities. Mr. Hill began with an introduction of the Operations, Accounting and Reporting ("OAR") team and complimented their talent and capabilities. Mr. Hill highlighted the team's continued use of new tools and technologies to handle data complexities, noting that each team member has completed basic Power BI training and is working to automate functions specific to their job responsibilities. Mr. Hill also noted that as the team has grown, there has been a focus on building depth and resilience, including cross-training, to maintain critical institutional knowledge. He shared that the OAR team works across a multitude of teams and external parties to account for all assets managed by UTIMCO. Mr. Hill noted that a significant accomplishment of the OAR team this year has been working with the Information Services & Security team

to modernize legacy applications. Mr. Hill then discussed the technological improvements the Document Management team will be implementing to automate the retrieval of materials from manager portals. Mr. Hill also discussed the efforts of the Operational Due Diligence team. He concluded by recognizing the talent and efforts of the team before turning the presentation over to Ms. Bauer. Ms. Bauer began with an introduction to the four-member Corporate Accounting team and highlighted some of the responsibilities related to corporate business. She reviewed the team's responsibility for, and management of, corporate financial reporting and employee payroll and benefits administration. Ms. Bauer also noted that the team recently finalized a complete accounting system conversion. Ms. Bauer concluded her report and answered questions from the Board.

Legal and Compliance Presentation

Vice Chairman Rothrock asked Carolina de Onís to provide an update on Legal and Compliance. Ms. de Onís discussed the team's continued collaboration, communication, and cross-training under "One Team", and their judicious use of external resources as required. She highlighted the basic functions of the Legal and Compliance team, including providing legal support to the investment teams, compliance with Open Records requirements, fund monitoring, and ethics compliance support. She then discussed the significant milestones achieved this year, including implementing ComplySci, a compliance monitoring solution that tracks employee personal trading activities against firm rules, onboarding five new external investment counsel firms with various specialties, completing a review of investment and other policies, and implementing a new contract management system. Ms. de Onís concluded her presentation by sharing the strategic priorities in place for 2023, including launching a new Enterprise Risk Management program. She then answered questions from the Board.

Report from Audit and Ethics Committee

Vice Chairman Rothrock asked Director Handley to provide a report on behalf of the Audit and Ethics Committee. Director Handley reported that the Committee met via teleconference on December 1, 2022. At the meeting, the Committee considered four action items: the minutes of its September 9, 2022 meeting were approved as drafted; Deloitte & Touche LLP's Financial Statement Audit Results and Communications Letter for the Investment Funds for the fiscal year ended August 31, 2022, were approved; subject to further approval by the Board, the separate annual financial statements and audit reports for the PUF, GEF, PHF, LTF, and ITF for the fiscal years ended August 31, 2022 and August 31, 2021, and the Statement of Investment Performance Statistics for the aforementioned funds for the fiscal year ended August 31, 2022 were approved; subject to further approval by the Board, and the Committee made its recommendations to the Compensation Committee related to the General Counsel and Chief Compliance Officer's Performance Award for the Performance Period ended June 30, 2022.

Director Handley asked Mr. Robert Cowley of Deloitte & Touche LLP to provide a brief report to the Board on the audits of the Investment Funds. After Mr. Cowley's presentation, Director Handley reported that the Committee also received an update on UTIMCO's compliance, reporting and audit matters, a report on new contracts, and the annual report of all contracts over \$250,000. She requested approval, on behalf of the Audit and Ethics Committee, of a resolution related to the audits of the Investment Funds for Fiscal Year 2022. Upon motion duly made and seconded, the following resolutions were unanimously adopted by the Board:

RESOLVED, that Deloitte & Touche LLP's Financial Statement Audit Results and Communications Letter on the Investment Funds Under Fiduciary Responsibility of The University of Texas System Board of Regents for the year ended August 31, 2022, be, and is hereby approved in the form as presented to the Board; and

FURTHER RESOLVED, that the separate annual financial statements and audit reports for the Permanent University Fund, the Permanent Health Fund, The University of Texas System Long Term Fund, The University of Texas System General Endowment Fund, and The University of Texas System Intermediate Term Fund each for the fiscal years ended August 31, 2022, and August 31, 2021, and the Statement of Investment Performance Statistics for the year ended August 31, 2022, be, and are hereby approved in the form as presented to the Board.

Report from Investment Risk Committee

Vice Chairman Rothrock asked Director Longoria to provide a report from the Investment Risk Committee. Director Longoria reported that the Investment Risk Committee met via teleconference on December 1, 2022. The Committee approved the minutes of its September 9, 2022 meeting. The Committee also received a report on compliance matters for the quarter ended August 31, 2022, and a market and portfolio risk update.

Report from Cyber Risk Committee

Vice Chairman Rothrock provided a report from the Cyber Risk Committee. He reported that the Cyber Risk Committee met via teleconference on December 1, 2022. The Committee approved the minutes of its September 9, 2022 meeting. The Committee also met in Executive Session to receive an update on computer security assessments related to information resources technology.

Executive Session

Prior to going into executive session, Vice Chairman Rothrock announced that, "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 to deliberate individual personnel compensation matters, including the CEO and Chief Investment Officer pursuant to *Texas Government Code* Section 551.074. The date is December 9, 2022, and the time is now 11:14 a.m." With the exception of Mr. Harris, Mr. Hall, Ms. Moeller, Ms. de Onís, Ms. Chen, Dr. Brown, and Mr. Kyle, all others left the meeting at this time.

Reconvene in Open Session

The Board reconvened in open session and Director Rothrock announced that, "The Open Session of the Board of Directors of The University of Texas/Texas A&M Investment Management Company is now reconvened. The date is December 9, 2022, and the time is now 11:21 a.m. During the Executive Session,

the Board deliberated individual compensation matters, but no action was taken, nor decisions made, and no vote was called for or had by the Board in Executive Session."

Report from Compensation Committee

Vice Chairman Rothrock asked Director Nixon to provide a report from the Compensation Committee. Director Nixon stated that the Compensation Committee met on December 1, 2022 and December 9, 2022. At its meeting on December 2, 2022, the Committee approved the minutes of its September 12, 2022 meeting. The Committee also met in executive session to discuss performance awards for the CEO and other UTIMCO Compensation Program Participants for the Performance Period ended June 30, 2022, but no action was taken at that meeting.

At its December 9, 2022 meeting, the Committee approved the minutes of its December 1, 2022 meeting, convened in executive session to discuss the Performance Awards for Plan Participants, including the CEO, for the Performance Period ended June 30, 2022, and approved these Performance Awards, subject to approval by the Board. Director Nixon then reminded the Board of the three main elements used to determine compensation awards: (1) the Plan measures investment performance over a trailing three-year period, (2) there is a cap on the maximum award that any participant can receive in any single year, and (3) the awards are paid out over a two-year period. Furthermore, there are additional extraordinary deferrals that are required by the Plan when UTIMCO delivers positive relative performance by exceeding the Policy Performance benchmarks over a three-year period, but the Endowments experience a net negative absolute return at the end of a performance period, as occurred for the Performance Period ended June 30, 2022. As a result, all Plan members, except those who are vested by virtue of their years of service and age, or those who are very junior members of the team, will have their Performance Awards deferred until the end of the next Performance Year. These provisions are designed to create alignment with the institutions UTIMCO serves. Director Nixon then recommended two resolutions for approval by the Board. The first resolution related to the Performance Award for the CEO for the Performance Period ended June 30, 2022, and the second resolution related to the Performance Awards for all other Plan Participants for the Performance Period ended June 30, 2022. Upon motion duly made and seconded, the following resolutions were unanimously adopted by the Board:

WHEREAS, Section 5.5.(d) of the UTIMCO Compensation Program (the "Plan") provides that, at the end of each Performance Period, the Board will approve the Performance Award of the CEO based upon a determination of the level of achievement of the CEO with respect to his or her Performance Standards for such Performance Period; and

WHEREAS, the Compensation Committee has reviewed and approved the CEO's Performance Award for the Performance Period ended June 30, 2022, and submitted its recommendation to the Board for approval; and

WHEREAS, the Board has reviewed the Compensation Committee's recommendation of the CEO's Performance Award for the Performance Period ended June 30, 2022.

NOW, THEREFORE, be it:

RESOLVED, that the Board approves the CEO's Performance Award for the Performance Period ended June 30, 2022, in the amount of \$3,105,226.

And,

WHEREAS, Section 2.0 of the Plan specifies that an objective of the UTIMCO Compensation Program (the "Plan") is to motivate key investment employees to focus on maximizing real, long-term returns for all funds managed by UTIMCO while assuming appropriate levels of risk; and

WHEREAS, Section 5.8(a)(1)(a)(iv) provides that quantitative performance is measured relative to the appropriate benchmark based on three-year historical performance; Section 5.8(a)(2)(c) provides that peer group performance is measured based on three-year historical performance; and Section 5.8(b)(2) provides that qualitative performance is measured as part of each Participant's annual performance appraisal; and

WHEREAS, Section 5.5.(d) of the Plan provides that, at the end of each Performance Period, the Compensation Committee will approve, subject to further approval of the UTIMCO Board, the Performance Award of each Participant based upon a determination of the level of achievement of such Participant against his or her Performance Standards; and

WHEREAS, in accordance with Section 5.5.(d) of the Plan, the Compensation Committee has determined the level of achievement by each Participant in the Plan during the Performance Period ended June 30, 2022, of his or her Performance Standards; and

WHEREAS, Sections 5.5.(e) and 5.5.(f) of the Plan provide that, based on the percentage achieved of each Participant's Performance Standards, a Performance Award will be calculated for such Participant in accordance with the calculation methodology set forth in Appendix A of the Plan; and

WHEREAS, Sections 5.6 and 5.7 of the Plan provide that approved Performance Awards will vest and be paid out to Participants over a period of two years (the "Ordinary Deferrals") as a talent retention mechanism; and

WHEREAS, Section 5.12 of the Plan provides that, subject to certain limited exceptions, if the net returns during the Performance Period for which the Performance Awards are being determined are negative at the end of the Performance Period, Participants will not become entitled to payment of the Performance Award until the end of the following year's Performance Period (the "Extraordinary Deferrals"); and

WHEREAS, Section 5.5.(f) of the Plan provides that the Compensation Committee will review all calculations of Performance Awards, make any changes it deems appropriate, and submit its recommendation to the Board for approval; and

WHEREAS, the Compensation Committee has reviewed the Performance Awards for all Participants who have met or exceeded their three-year quantitative Performance Standards and their one-year qualitative Performance Standards for the Performance Period ended June 30, 2022, made changes it deemed appropriate, approved such Performance Awards, and recommended that the Board approve the same.

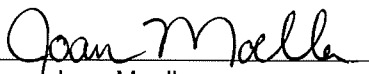
NOW, THEREFORE, be it:

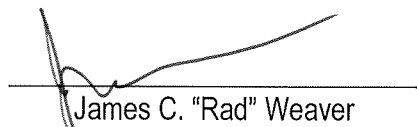
RESOLVED, that the Board approves the Performance Awards for all Participants (excluding the CEO) for the Performance Period ended June 30, 2022, in the total aggregate amount of \$17,278,907, and be it

FURTHER RESOLVED, that of the Performance Awards for all Participants (excluding the CEO) subject to a Deferred Award for the Performance Period ended June 30, 2022, 76% (13,133,670) will be deferred pursuant to the Plan. The deferred amount includes \$5,014,801 in Ordinary Deferrals, which are applied to each Performance Period as a talent retention mechanism. The remaining deferred amount of \$8,118,869 are Extraordinary Deferrals, which are required by the Plan when three-year performance benchmarks are met or exceeded, but net returns at the end of a Performance Period are negative.

Adjourn

There being no further business to come before the Board, the meeting was adjourned at approximately 11:26 a.m.

Secretary: 
Joan Moeller

Approved: 
James C. "Rad" Weaver
Chairman, Board of Directors of
The University of Texas/Texas A&M Investment Management Company

Date: March 30, 2023