

**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 ("UTIMCO" or the "Corporation") convened in Open Session on **November 30, 2023**, by means of video and telephone conference enabling all persons participating in the meeting to hear each other, at the offices of the Corporation, 210 West 7th Street, Suite 1700, Austin, Texas, said meeting having been called by the Committee Chair, Jodie L. Jiles ("Chair"), with notice provided to each member in accordance with the Corporation's 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 Committee:

Jodie L. Jiles, Chair
Jay Graham
James B. Milliken

thus constituting a majority and quorum of the Committee. Director Berk was not present at the meeting. Chair Jiles called the meeting to order at 9:00 a.m. Employees of the Corporation attending the meeting were Richard Hall, President, CEO and CIO; Joan Moeller, Secretary and Treasurer; Carolina de Onís, General Counsel and Chief Compliance Officer; Gary Hill, Managing Director - Operations, Accounting and Reporting; and other UTIMCO employees. Other attendees included Jerry Kyle of Orrick, Herrington & Sutcliffe LLP; and Robert Cowley and Adrian Kasuma of Deloitte & Touche 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 September 21, 2023. Upon motion duly made and seconded, the following resolution was unanimously approved by the Committee:

RESOLVED, that the minutes of the Meeting of the Audit and Ethics Committee of the Board of Directors held on September 21, 2023 be, and are hereby, approved.

Audit Results and Communications

Chair Jiles asked Mr. Robert Cowley, engagement partner from the independent accounting firm of Deloitte & Touche LLP, to present the audit results and communications for the FY 2023 audits of the Permanent University Fund ("PUF"), The University of Texas System General Endowment Fund ("GEF"), the Permanent Health Fund ("PHF"), The University of Texas System Long Term Fund ("LTF"), and The University of Texas System Intermediate Term Fund ("ITF") (collectively, the "Funds"). Mr. Cowley confirmed the completion of the audits of the Funds. Mr. Cowley reviewed with the Committee the Audit Results and Communications Letter covering required communications dated October 31, 2023. Mr. Cowley confirmed that Deloitte & Touche LLP issued unqualified opinions on the Funds' August 31, 2023 Financial Statements and the Statement of Investment Performance Statistics, and that accounting principles utilized by management are of good quality, are acceptable, and have been consistently applied under accounting principles generally

accepted in the United States. There were no changes in any of the accounting policies in the last year. Mr. Cowley stated that the Funds' Financial Statements and disclosures were complete in all material respects and there were no material weaknesses regarding internal controls found during their audit procedures. Mr. Cowley reported that there were no corrections or adjustments needed by UTIMCO, information was consistent, and Deloitte had no disagreements with reporting by UTIMCO's management. He also stated they had no difficulties to report and was very complimentary of the Corporation's employees. Finally, Mr. Cowley noted that this is his tenth year as UTIMCO's audit engagement partner, and under Deloitte rotation policy rules, Mr. Tom Wagner will take over the responsibility for the audit of the Funds and the UTIMCO management company. Mr. Cowley answered the Committee Members' questions. Upon motion duly made and seconded, the following resolution was approved unanimously:

RESOLVED, that Deloitte & Touche LLP's Financial Statement Audit Results and Communications Letter on the Investment Funds Under the Fiduciary Responsibility of The University of Texas System Board of Regents for the year ended August 31, 2023, be, and is hereby approved in the form as presented to the Audit and Ethics Committee.

Audit Reports

Mr. Cowley presented the Audited Financial Statements for the PUF, GEF, PHF, LTF, and the ITF each for the fiscal years ended August 31, 2023 and 2022, and the Statement of Investment Performance Statistics for the year ended August 31, 2023 for the PUF, GEF, PHF, LTF, and ITF. Mr. Cowley answered the Committee Members' questions. Chair Jiles expressed his appreciation for the hard work of the UTIMCO team and commended them on achieving clean audits every year since inception. Chair Jiles also thanked Mr. Cowley for his hard work and welcomed Mr. Wagner to the engagement team. Mr. Hall and Ms. Moeller expressed their appreciation as well. Upon motion duly made and seconded, the following resolution was unanimously approved by the Committee:

RESOLVED, that the separate annual financial statements and audit reports for the Permanent University Fund, The University of Texas System General Endowment Fund, the Permanent Health Fund, The University of Texas System Long Term Fund, and The University of Texas System Intermediate Term Fund, each for the fiscal years ended August 31, 2023 and August 31, 2022, and the Statement of Investment Performance Statistics for each of the aforementioned funds for the year ended August 31, 2023, be and are hereby approved in the form as presented to the Audit and Ethics Committee.

Update on Compliance, Reporting and Audit Matters

Chair Jiles asked Ms. de Onís to provide an update on compliance and reporting matters. Ms. de Onís began by presenting the investment compliance report for the quarter ended August 31, 2023, noting that there were no violations to report. She continued by presenting a report on the Compliance Team's Compliance Program self-assessment. In 2021 UT System completed an audit of the UTIMCO Compliance Program and provided recommendations for implementation. In addition, Ms. de Onís had initiatives and changes she wanted to achieve upon joining UTIMCO. With those changes and enhancements complete, the team conducted a self-assessment to gauge the effectiveness of those changes, as well as any opportunities for continued

improvement. Ms. de Onís explained that the team is well-staffed and resourced, that the processes are streamlined and well-communicated, and that there is well-articulated training in support of UTIMCO's culture of compliance. Ms. de Onís then detailed the opportunities for enhancement including an improved Enterprise Risk Management program, a continued focus on governance and policies, and the implementation of automation in the Delegation of Authority policy testing. Ms. de Onís noted that the ERM program and framework will be implemented in Q1 2024, including a presentation to the Audit & Ethics Committee in March 2024. In addition to a self-assessment the team also conducted an employee survey. 70% of employees responded, and scores were very high. Ms. de Onís then presented the action items and initiatives for 2024 including institutionalizing the ERM program, conducting a compliance peer review, building and maintaining relationships with the UT System Board of Regents General Counsel and UT System Chief Compliance Officer, and creating interactive web-based compliance training. Ms. de Onís then answered the Committee Members' questions.

Executive Session

Chair Jiles 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 performance period ending June 30, 2023. This Executive Session meeting of the Committee is authorized by *Texas Government Code* Section 551.074 (Personnel Matters). The date is November 30, 2023, and the time is now 9:28 a.m." With the exception of Mr. Hall, Ms. Moeller, and Mr. Kyle, all other participants left the meeting at this time.

Open Session

The Committee reconvened in Open Session and Chair Jiles 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 November 30, 2023, and the time is now 9:49 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's Performance Award

Chair Jiles recommended that the Audit and Ethics Committee and the CEO jointly recommend to the Compensation Committee, subject to approval by the UTIMCO Board, the Performance Award for the General Counsel and Chief Compliance Officer for the Performance Period ended June 30, 2023. Upon motion duly made and seconded, the following resolution was unanimously approved:

WHEREAS, the Audit Charter of the Audit and Ethics Committee requires that the Audit and Ethics Committee and the CEO approve the Chief Compliance Officer's performance standards and achievement of the standards and make a joint

recommendation to the Compensation Committee as to the Base Salary and Performance Award for the Chief Compliance Officer; and

WHEREAS, the Audit and Ethics Committee and the CEO have prepared a joint recommendation regarding the Performance Award of the General Counsel and Chief Compliance Officer for the 2022/2023 Performance Period; and

WHEREAS, subject to approval by the UTIMCO Board, the Audit and Ethics Committee and the CEO jointly recommend the Performance Award of the General Counsel and Chief Compliance Officer; and

WHEREAS, the Audit and Ethics Committee has reviewed the Performance Award for the General Counsel and Chief Compliance Officer for the 2022/2023 Performance Period and wishes to document approval of such Performance Award and recommend that the Compensation Committee approve the same.

NOW, THEREFORE, be it:

RESOLVED, that the Audit and Ethics Committee approves the Performance Award for the General Counsel and Chief Compliance Officer as recommended by the CEO for the 2022/2023 Performance Period, and the Audit and Ethics Committee and CEO hereby jointly recommend to the Compensation Committee the Performance Award for the General Counsel and Chief Compliance Officer for the 2022/2023 Performance Period.

Adjourn

There being no further business to come before the Committee, the meeting was adjourned at approximately 9:50 a.m.

Secretary: Joan Moeller
Joan Moeller

Approved: Jodie L. Jiles
Jodie L. Jiles, Chair
Audit and Ethics Committee of the Board of Directors of
The University of Texas/Texas A&M Investment Management Company

Date: 6/20/24