

**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 **June 11, 2024**, 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
Howard Berk
Jay Graham
James B. Milliken

thus constituting a majority and quorum of the Committee. 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; Kim Bauer, Senior Director – Operations, Alison Rogers-McCoy, Managing Director and Chief Human Resources Officer; Gus Deering, Managing Director and Chief Technology Officer; and other employees. Other attendees included J. Michael Peppers, Chief Audit Executive and Steve Sizemore, IT Audit Program Manager, of the UT System Audit Office. Jerry Kyle of Orrick, Herrington & Sutcliffe LLP was also in attendance. 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 12, 2024. 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 March 12, 2024 be, and are hereby, approved.

Engaging Corporate External Auditor

Chair Jiles asked Ms. Moeller to present on the proposed engagement of Corporate external auditor. Ms. Moeller stated that, if approved by the Board, fiscal year 2024 would be the 18th year that Deloitte & Touche LLP will serve as the Corporation's auditor. Ms. Moeller also noted that, after ten years of service, the engagement term limit for the previous audit partner, Robert Cowley, has been reached and Thomas Wagner has replaced him and will serve as the audit partner for both the audits of the investment funds and UTIMCO. Estimated fees for UTIMCO's FY2024 audit services are expected to be \$50,400, plus out of pocket costs, which is a \$2,400 increase over the FY2023 fee.

Upon motion duly made and seconded, the following resolution was unanimously approved by the Committee:

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, 2024, subject to further approval of the UTIMCO Board.

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 noting that UTIMCO recently completed its annual ethics training, certifications and disclosures, and that there was one hundred percent compliance with employees and Directors. Ms. de Onís also reported on the annual disclosure statements filed by outside financial advisors and service providers, noting that there was one hundred percent compliance with external managers. Three brokers did not return these certifications, but those brokers are vetted internally and are governed by FINRA's best execution rules, and were therefore unlikely to have pecuniary interests that could affect their independence of judgment. Ms. de Onís informed the Board that there have been no changes to the risk ratings in the Enterprise Risk Management Program for the quarter ended March 31, 2024. Ms. de Onís concluded her report by indicating that there was one violation by an external manager who inadvertently acquired some short positions, but that the violation was rectified immediately, and the manager instituted additional procedures to ensure it does not happen again.

Presentation of Unaudited Financial Statements

Chair Jiles asked Mr. Hill to present the Unaudited Financial Statements for the Permanent University Fund, General Endowment Fund, Permanent Health Fund, Long Term Fund, and the Intermediate Term Fund, each for the quarter ended February 29, 2024. 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, 2024.

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, to receive an update on computer security assessments related to information resource technology and for the purposed of deliberating individual personnel evaluation matters, and individual compensation matters related to the General Counsel and Chief Compliance Officer. This Executive Session meeting of the Committee is authorized by *Texas Government Code* Sections 551.076, 551.089, and 551.074. The date is June 11, 2024, and the time is now 9:14 a.m." With the exception of Mr. Hall, Ms. Moeller, Mr. Deering, Ms. Rogers-McCoy, Mr. Peppers, Mr. Sizemore, and Mr. Kyle, all other participants left the meeting at this time. Mr. Deering, Mr. Peppers, and Mr. Sizemore, left approximately halfway through the Executive Session.

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 June 11, 2024, and the time is now 9:58 a.m. During the Executive Session, the Committee received an update on computer security assessments and related information resource technology, and 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

Chair Jiles recommended that the Committee and the CEO jointly recommend to the Compensation Committee, the base salary for the General Counsel and Chief Compliance Officer for the 2024-2025 fiscal year. By motion duly made and seconded, the following resolution was unanimously approved by the Committee:

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, 2024.

Adjourn

There being no further business to come before the Committee, the meeting was adjourned at approximately 9:59 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: 09/26/24