

**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 9, 2026**, 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, David Baggett ("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:

David Baggett, Chair
Janet Handley
Christina Melton Crain
Jonathan Pruitt

thus constituting a majority and quorum of the Committee. Chair Baggett 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; Alison Rogers-McCoy, Managing Director and Chief Human Resources Officer; Gary Hill, Managing Director - Operations, Accounting and Reporting; Angelica Lopez-Ramos, Director - Major Fund Accounting & Reporting; Kim Bauer, Senior Director – Corporate Accounting 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 February 24, 2026. 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 February 24, 2026 be, and are hereby, approved.

Engaging Corporate External Auditor

Chair Baggett introduced the next agenda item for consideration by the Committee. Prior to the consideration of this matter, Director Crain announced she had a conflict with respect to the resolution, recused herself from the deliberations, and did not vote on the matter. Chair Baggett then asked Ms. Moeller to present the proposed engagement of the external auditor for the UTIMCO Corporation. Ms. Moeller noted that Deloitte & Touche LLP serves as the auditor for the investment funds, having been engaged by the UT System, and that UTIMCO has historically retained the same audit firm for its corporate audit. Ms. Moeller recommended

that UTIMCO continue to engage Deloitte & Touche LLP as the Corporation's independent auditor for the fiscal year ending August 31, 2026, which would mark the firm's 20th year serving as UTIMCO's auditor. Ms. Moeller further noted that the proposed fee of \$53,500 represents an approximate 6.5% increase over the prior year. She explained that the fee had been reduced in the preceding year and that the proposed increase seemed reasonable. 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, 2026, subject to further approval of the UTIMCO Board.

Update on Compliance, Reporting and Audit Matters

Chair Baggett asked Ms. de Onís to provide an update on compliance and reporting matters. Ms. de Onís presented the quarterly Compliance Report. She reported a series of personal trading policy violations involving the spouse of a UTIMCO employee. Although no restricted securities were involved, the circumstances made continued compliance with the personal trading policy increasingly difficult. As a result, the employee and UTIMCO mutually agreed to separate employment.

Ms. de Onís also reported 100% timely completion of UTIMCO's annual compliance disclosures and training requirements and 100% compliance by external investment managers with the Texas State Auditor's filing requirements. While not all financial brokers completed the required filings, she noted this was consistent with prior years and not considered a significant concern.

Ms. de Onís provided a compliance update on the Northern Trust transition, noting the transition has proceeded smoothly with only minor operational items remaining.

Finally, Ms. de Onís reviewed the Enterprise Risk Management (ERM) Program risk ratings for the quarter ended March 31, 2026. Ms. de Onís then invited Mr. Hill to give a report on the Northern Trust transition.

Mr. Hill provided an update on the transition to Northern Trust, reporting that the conversion has progressed smoothly and without any significant issues. He credited the successful transition to the extensive planning and coordination by UTIMCO staff and Northern Trust over the preceding several months, including thorough testing and implementation oversight. Mr. Hill noted that only minor operational items remain, including the transfer of residual cash balances, collateral confirmations with certain brokers, and the transition of Korean market assets. Mr. Hill then answered the Committee members' questions.

Presentation of Unaudited Financial Statements

Chair Baggett asked Ms. Lopez-Ramos 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, 2026. Ms. Lopez-Ramos provided highlights, noting no new items or significant changes. She reported that the PUF is on track to pay its final distribution in July. Ms. Lopez-Ramos reported that the current focus is completing the final month-

end close with BNY and ensuring Northern Trust beginning balances reconcile to BNY ending balances to support the audit. She noted that the first month-end close with Northern Trust will occur in June and that parallel testing has been underway since April. While some work remains, the team expects to be prepared for the June close.

Ms. Lopez-Ramos further reported that preparations for the interim audit will begin in July, with Deloitte reviewing process changes associated with the Northern Trust transition through August. Preparations for the year-end audit are expected to begin in September.

Ms. Bauer presented the corporate financial statement update for the quarter ended March 31, 2026, reporting that financial results were tracking as expected with no unusual items to report. She noted that two new GASB pronouncements effective in fiscal year 2026 are expected to affect presentation only and will not require significant process changes.

Ms. Bauer reported that assets decreased primarily due to the rebate to the investment funds, while liabilities increased due to compensation-related accruals. She also noted that operating income remained positive and that management is not recommending a rebate in fiscal year 2027.

Ms. Bauer further reported that operating expenses, direct fund costs, and capital expenditures were below budget primarily due to timing differences, with spending expected to align more closely with budget by year-end. She also noted that the planned leasehold build-out has been deferred to fiscal year 2028.

Executive Session

Chair Baggett announced that, "The Committee will now convene in Executive Session under *Texas Government Code* Section 551.074 for the purpose of deliberating individual personnel compensation and evaluation matters related to the General Counsel and Chief Compliance Officer and under *Texas Government Code* Sections 551.076 and 551.089 to receive an update on computer security assessments related to information resources technology. The date is June 9, 2026, and the time is now 9:23 a.m." With the exception of Mr. Hall, Ms. Moeller, Ms. de Onís, Mr. Deering, Mr. Gahagan, Mr. Sizemore, Mr. Peppers, Ms. Rogers-McCoy, and Mr. Kyle, all other participants left the meeting at this time. Ms. de Onís, Mr. Deering, Mr. Gahagan, Mr. Sizemore, and Mr. Peppers left partway through the Executive Session.

Open Session

The Committee reconvened in Open Session and Chair Baggett announced that, "The Committee has concluded its Executive Session and has reconvened in Open Session. The time is now 9:39 a.m."

General Counsel and Chief Compliance Officer Base Salary

Chair Baggett 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 2026-2027 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, 2026.

Adjourn

There being no further business to come before the Committee, the meeting was adjourned at approximately 9:40 a.m.

Secretary:


Joan Moeller

Approved:

DocuSigned by:



David Baggett, Chair

Audit and Ethics Committee of the Board of Directors of

The University of Texas/Texas A&M Investment Management Company

Date: 9/28/2026