

**MINUTES OF MEETING OF  
THE COMPENSATION COMMITTEE OF  
THE UNIVERSITY OF TEXAS  
INVESTMENT MANAGEMENT COMPANY**

The Compensation Committee (the "Committee") of the Board of Directors of The University of Texas Investment Management Company (the "Corporation") convened in a special meeting on the **24th day of October, 2000**, via a telephonic meeting enabling all participants to hear one another, at the offices of the Corporation, Main Conference Room, 2<sup>nd</sup> Floor, 210 W. Sixth Street, Austin, Texas 78701, said meeting having been called by the Chairman, J. Luther King, Jr., with notice provided to each member in accordance with the Bylaws. Participating in the meeting were the following members of the Committee:

J. Luther King, Jr., Chairman  
L. Lowry Mays  
A. R. (Tony) Sanchez

thus, constituting a majority and quorum of the Committee. Also, participating in the meeting was Thomas G. Ricks, President of the Corporation; Jerry E. Turner, legal counsel for the Corporation; and Cathy Iberg, Secretary of the Corporation. Mr. King called the meeting to order at 8:07 a.m.

Copies of the materials supporting the agenda were previously distributed to each Committee member.

**Approval of Minutes**

The first item to come before the Committee was consideration of approval of the minutes of the Committee meeting held on February 9, 2000. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the minutes of the Meeting of the Compensation Committee held on February 9, 2000, be and are hereby approved.

**Executive Session – 2000 Performance Compensation Awards**

Following approval of the minutes, at 8:10 a.m., Mr. King announced that, "the Compensation Committee of the Board of Directors of The University of Texas 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 discussing the 2000 Performance Compensation Awards to corporation employees. This Executive Session meeting of the Committee is authorized by the Open Meeting Policy Statement of The University of Texas Investment Management Company adopted on September 22, 1999. The time is now 8:10 a.m."

In Executive Session, the Committee discussed the 2000 Performance Compensation Awards. Ms. Iberg did not participate in the discussion and Mr. Ricks did not participate in any portion of the discussion relating to his compensation. No action was taken and no vote was called for or taken by the Committee.

The Committee reconvened at 8:40 a.m. in open session and Mr. King announced that, "the Open Session of the Compensation Committee of the Board of Directors of The University of Texas Investment Management Company is now reconvened. The time is now 8:40 a.m. During the Executive Session, the Committee discussed the 2000 Performance Compensation Awards, but did not take any votes."

**Approval of 2000 Performance Compensation Awards**

Mr. Ricks reviewed the materials supporting the proposed bonus awards for the 2000 performance compensation plan. Mr. Ricks answered the Committee members' questions and upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the 2000 Performance Compensation Awards (for the period January 1, 2000 through August 31, 2000) as presented to the Committee be and are hereby approved.

**Discussion and Approval of Performance Compensation Plan for the year ended August 31, 2001**

Mr. Ricks summarized the key provisions of the proposed 2001 Performance Compensation Plan ("Plan") and the additional performance compensation budget amount for employees not covered by the Plan. Mr. Ricks answered the Committee members' questions and upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the Performance Compensation Plan for the year ended August 31, 2001 be and is hereby approved; and be it further

RESOLVED, that the President of the Corporation may pay performance compensation on a quarterly basis to employees not covered by the Corporation's Performance Compensation Plan; and be it further

RESOLVED; that an additional performance compensation budget amount for the year ending August 31, 2001 of \$123,750 is hereby approved.

Mr. Ricks reviewed with the committee future employee retention initiatives under consideration.

There being no further business to come before the Committee, the meeting was adjourned at approximately 8:50 a.m.

Approved: \_\_\_\_\_  
Committee Chairman

Date: \_\_\_\_\_