

**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 **10th day of October, 2001**, via a telephonic meeting enabling all participants to hear one another, at the offices of the Corporation, Town Lake Conference Room, 17th Floor, 221 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

thus, constituting a majority and quorum of the Committee. Also, participating in the meeting were Cathy Iberg, Interim President and CEO of the Corporation; Christy Wallace, Interim Secretary of the Corporation; and Jerry E. Turner, legal counsel for the Corporation. Mr. King called the meeting to order at 9:00 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 October 24, 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 October 24, 2000, be and are hereby approved.

Executive Session – 2001 Performance Compensation Awards

Following approval of the minutes, at 9:02 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 2001 Performance Compensation Awards to corporation employees. This Executive Session meeting of the Committee is authorized by Texas Government Code, Section 551.074 (Personnel Matters). The time is now 9:02 a.m."

In Executive Session, the Committee discussed the 2001 Performance Compensation Awards. Ms. Iberg did not participate in any portion of the discussion relating to her compensation. No action was taken and no vote was called for or taken by the Committee.

The Committee reconvened at 9:20 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 9:20 a.m. During the Executive Session, the Committee discussed the 2001 Performance Compensation Awards, but did not take any votes."

Approval of 2001 Performance Compensation Awards

Ms. Iberg reviewed the materials supporting the proposed bonus awards for the 2001 performance compensation plan. She answered the Committee members' questions. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the 2001 Performance Compensation Awards (for the period September 1, 2000 through August 31, 2001) as presented to the Committee be and are hereby approved.

There being no further business to come before the Committee, the meeting was adjourned at approximately 9:30 a.m.

Approved: _____ Date: _____

J. Luther King, Jr., Chairman
Compensation Committee
of The University of Texas
Investment Management Company