

Revised Copy of Minutes
(as per Committee request at October 10, 2003, meeting)

**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 an open meeting on the **12th of September, 2003**, at the offices of the Corporation, Capitol 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
Susan M. Byrne
James R. Huffines

thus, constituting a majority and quorum of the Committee. Also, participating in the meeting were Director Woody L. Hunt; Bob L. Boldt, President of the Corporation; Jerry Turner, legal counsel for the Corporation; and Diane Doubleday and Greg Smith of Mercer Human Resource Consulting. Mr. King called the meeting to order at 7:30 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 August 21, 2003. 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 August 21, 2003, be and are hereby approved.

Executive Session - Personnel Compensation

Following approval of the minutes, at 7:35 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 deliberating personnel compensation matters for corporation employees. This Executive Session meeting of the Committee is authorized by Texas Government Code, Section 551.074 (Personnel Matters). The time is now 7:35 a.m."

In Executive Session, the Committee discussed personnel compensation matters. Mr. Boldt 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 8:55 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 8:55 a.m. During the Executive Session, the Committee discussed personnel compensation matters, but did not take any votes."

Approval of Officers' Base Salaries

Mr. Boldt requested approval of the Corporation's Officers' Base Salaries (except the President) for the period of September 1, 2003 through August 31, 2004. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the approval of the Corporation's Officers' Base Salaries (except that of the President) for the Fiscal Year 2003-2004 as presented by the President (adjusted to provide for a total increase over Fiscal Year 2002-2003 of not more than \$174,000) be, and is hereby, approved.

Mr. King then recommended that the Corporation's President's Base Salary be submitted to the Corporation's Board of Directors. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the Corporation's President's Base Salary for the Fiscal Year 2003-2004 be submitted to the Corporation's Board of Directors with a recommendation for a \$50,000 annual increase.

Approval of the UTIMCO Compensation Charter as presented to the Committee was deferred until the next meeting of the Compensation Committee.

There being no further business to come before the Committee, the meeting was adjourned at approximately 9:00 a.m.

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

Date: _____