

**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 **19th day of May, 2005**, at the Hotel Crescent Court, 400 Crescent Court, Dallas, Texas, said meeting having been called by the Chairman, J. Philip Ferguson, with notice provided to each member in accordance with the Bylaws. The audio portion of the open meeting was electronically recorded. Participating in the meeting were the following members of the Committee:

J. Philip Ferguson, Chairman
Clint D. Carlson
Robert B. Rowling
Charles W. Tate

thus, constituting a majority and quorum of the Committee. Also, attending the meeting were Woody L. Hunt, Chairman of the Board; H. Scott Caven, Jr., Vice Chairman of the Board; Bob L. Boldt, President of the Corporation; Joan Moeller, Secretary and Treasurer of the Corporation; Christy Wallace, Assistant Secretary of the Corporation; and Jerry Turner, legal counsel for the Corporation. Mr. Ferguson called the meeting to order at 12:40 p.m. The audio portion of the open meeting was electronically recorded.

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 16, 2005. 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 16, 2005, be, and are hereby, approved.

Executive Session - Personnel Compensation

Following approval of the minutes, at 12:45 p.m., Mr. Ferguson 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, 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 12:45 p.m." At this time Ms. Moeller and Ms. Wallace left the meeting.

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 1:04 p.m. in open session and Mr. Ferguson 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 1:04 p.m. During the Executive Session, the Committee discussed personnel compensation matters for corporation employees, 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, 2005 through August 31, 2006. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the approval of the Corporation's Officers' and Other UTIMCO Compensation Program Participants' Base Salaries (except that of the President) for the Fiscal Year 2005-2006 in the amount of \$3,666,500 as presented by the President be, and is hereby, approved.

Mr. Ferguson 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 2005-2006 in the amount of \$495,000 will be submitted to the Corporation's Board of Directors with a recommendation for approval.

There being no further business to come before the Committee, the meeting was adjourned at approximately 1:10 p.m.

Secretary: _____
Joan Moeller

Approved: _____ Date: _____
J. Philip Ferguson, Chairman of the
Compensation Committee
of The University of Texas
Investment Management Company