

**MINUTES OF THE MEETING OF  
THE BOARD OF DIRECTORS OF  
THE UNIVERSITY OF TEXAS  
INVESTMENT MANAGEMENT COMPANY**

The Board of Directors (the "Board") of The University of Texas Investment Management Company (the "Corporation") convened in an open meeting at 11:04 a.m. on the **25th day of July, 2006**, by means of conference telephone enabling all persons participating in the meeting to hear each other, at the offices of the Corporation, Suite 2800, 401 Congress Avenue, Austin, Texas, 78701, said meeting having been called to order by the Chairman, H. Scott Caven, Jr., with notice provided to each member in accordance with the Bylaws. The audio portion of the meeting was electronically recorded.

Participating in the meeting were the following members of the Board:

H. Scott Caven, Jr., Chairman  
Mark G. Yudof, Vice Chairman for Policy  
Clint D. Carlson  
J. Philip Ferguson  
Colleen McHugh  
Ardon E. Moore  
Erle Nye

thus, constituting a majority and quorum of the Board. Vice Chairman Robert B. Rowling and Director Charles W. Tate were not present at the meeting. Also attending the meeting were Bob Boldt, President of the Corporation; Christy Wallace, Assistant Secretary of the Corporation; Bill Edwards, Managing Director of Information Technology; Trey Thompson, Managing Director – Non-Marketable Alternative Investments; and Jerry Turner, legal counsel for the Corporation. Mr. Caven called the meeting to order at 11:04 a.m. Copies of materials supporting the Board meeting agenda were previously furnished to each Director or distributed at the meeting.

**Continuation of the Report of the Compensation Committee**

Mr. Caven stated that this meeting was to continue the report of the Compensation Committee, specifically to discuss and consider Eligible Positions, Weightings, and Incentive Award Opportunities for UTIMCO Compensation Program Participants for the 2006-2007 performance period. The topic was originally discussed at the Board of Directors Meeting that was held on July 13, 2006, but further discussion by the Board was taken.

**Executive Session**

Mr. Caven, at 11:05 a.m., announced that, "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 Board to consider the Compensation Committee report. This Executive Session meeting of the Board is authorized by Texas Government Code, Section 551.074 (Personnel Matters). The time is now 11:05 a.m. and the date is July 25, 2006."

**Reconvene in Open Session**

The Board reconvened at 11:30 a.m., in open session and Mr. Caven announced that, "the Open Session of the Board of Directors of The University of Texas Investment Management Company is now reconvened. The time is now 11:30 a.m. During the Executive Session, the Board discussed matters regarding the Compensation Committee report, but did not take any votes."

Mr. Caven presented a resolution recommending approval of the Eligible Positions, Weightings, and Incentive Award Opportunities for Participants in the UTIMCO Compensation Program for the 2006-2007 performance period. Upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the UTIMCO Board hereby approves the Eligible Positions, Weightings, and Incentive Award Opportunities for Participants in the UTIMCO Compensation Program (the "Plan") for the 2006-2007 performance period, as presented, and that the Eligible Positions, Weights, and Incentive Award Opportunities be approved for inclusion in Appendix C of the Plan; and further

RESOLVED, that, upon approval of such Incentive Award Opportunities, the 2006-2007 UTIMCO annual budget shall be updated, if necessary, to reflect changes in the presented Incentive Award Opportunities.

There being no further business to come before the Board of Directors, the meeting was adjourned at approximately 11:32 a.m.

Secretary: Joan Moeller  
Joan Moeller

Approved: H. Scott Caven, Jr. Date: 9.22.06  
H. Scott Caven, Jr.  
Chairman, Board of Directors of  
The University of Texas Investment  
Management Company