

**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 **7th day of March, 2006**, by means of conference telephone enabling all persons participating in the meeting to hear each other, at the offices of the Corporation, Lone Star Conference Room, 401 Congress Avenue, Austin, Texas, said meeting having been called by the Committee Chair, 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

thus, constituting a majority and quorum of the Committee. Committee member Robert B. Rowling was not present at the meeting. Also attending the meeting were H. Scott Caven, Jr., 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; Bill Edwards, Managing Director of Information Technology; Greg Lee, Manager of Finance and Administration; Jerry Turner, legal counsel for the Corporation; Keith Brown of the McCombs School of Business at UT Austin; and Philip Aldridge, William Huang, and Cathy Swain of UT System Administration. Mr. Ferguson called the meeting to order at 3:45 p.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 November 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 November 16, 2005, be, and are hereby, approved.

Compensation Consultant

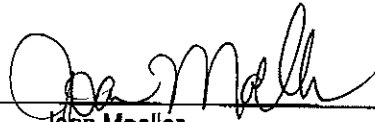
Mr. Ferguson and Mr. Boldt explained that the UTIMCO Compensation Program requires that salary ranges for key management, investment, and operations positions be updated at least every three years based on a salary benchmarking study conducted by a qualified compensation consultant selected by the Compensation Committee. Mercer Human Resources performed the last study 2½ years ago. In conjunction with the Board's request to review and evaluate the relationship of all outside service contractors, Requests for Proposals were distributed to compensation consulting firms interested in providing services to UTIMCO. Responses and proposals were received from three (3) firms (Hewitt

Associates, Mercer Human Resource Consulting, and Towers Perrin). The Compensation Consultant will be utilized for three main purposes: 1) Consultation, review, and recommendations related the UTIMCO Compensation Program; 2) provide salary benchmarking study, salary midpoints, and salary ranges based upon the study by May 3, 2006, with additional studies to be performed at least every three years; and 3) provide annual salary structure adjustments in years where salary benchmarking study is not requested by the UTIMCO Compensation Committee. The Staff had provided the Committee with evaluation and summary analysis of the submitted proposals. The Staff's recommendations were discussed, and Mr. Boldt answered the Committee members' questions. Mr. Ferguson stated that although the staff will be involved with the contract negotiations, it should be made perfectly clear to the consultant that they will report to the Compensation Committee and to the Board, as it has been done in the past. Upon motion duly made and seconded, the following resolution was unanimously adopted:

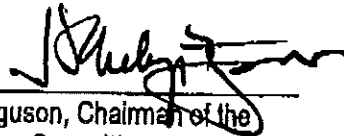
RESOLVED, that the Compensation Consultant, Mercer Human Resources, as recommended to the Committee, be, and is hereby, approved.

There being no further business to come before the Committee, the meeting was adjourned at approximately 4:20 p.m.

Secretary:


Joan Moeller

Approved:



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

Date:

6-14-06