

**MINUTES OF  
MEETING OF THE POLICY COMMITTEE OF  
THE UNIVERSITY OF TEXAS INVESTMENT MANAGEMENT COMPANY**

The Policy Committee (the "Committee"), of The University of Texas Investment Management Company (the "Corporation"), convened in open session on **May 25, 2006**, by means of conference telephone enabling all persons participating in the meeting to hear each other, at the offices of the Corporation, in the Lone Star Conference Room, 401 Congress Avenue, Austin, Texas, said meeting having been called by the Committee Chair, Robert Rowling, with notice provided to each member in accordance with the Corporation's Bylaws. The audio portion of the meeting was electronically recorded. Participating in the meeting were the following members of the Committee:

Robert B. Rowling, Chair  
Colleen McHugh  
Erle Nye

thus, constituting a majority and quorum of the Committee. Also attending the meeting were H. Scott Caven, Jr., Chairman of the Board; Bob 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; Andrea Reed, Risk Manager; Jerry Turner, legal counsel for the Corporation; Philip Aldridge, Amy Barrett, Barry Burgdorf, and Charlie Chaffin of UT System Administration; and Bruce Myers of Cambridge Associates. Chairman Rowling called the meeting to order at 8:05 a.m. Copies of materials supporting the Committee meeting agenda were previously furnished to each Director.

**Approval of the Minutes**

The first matter to come before the Committee was approval of the minutes of the Committee's May 16, 2006 meeting. By motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the minutes of the Meeting of the Policy Committee of the Board of Directors held on May 16, 2006, be, and are hereby, approved.

**Code of Ethics**

Mr. Rowling introduced the next item which was discussion and consideration of proposed amendments to the Corporation's Code of Ethics ("Code"), which had previously been reviewed by both the Policy Committee and the Audit and Ethics Committee at a joint meeting on May 16, 2006. Mr. Rowling asked Mr. Boldt to begin the discussion by giving background and reasons for revisions. Mr. Boldt then asked Mr. Burgdorf to give an overview. Mr. Burgdorf began the overview with the charge to re-write the Code in a form that used plain English and was easier to understand, and then gave an explanation of each of the substantive changes proposed. Involved in the re-write were several members from the UT System staff, Corporate Staff and outside counsel, Vinson and Elkins. Mr. Nye stated that the Audit and Ethics Committee had approved the changes to the Code as presented during the joint meeting of the Committee and the Audit and Ethics Committee on May 16, 2006, with the exception of the proposed changes contained in Section 3.03. Mr. Caven explained that from recent discussions with Mr. Turner and Mr.

Burgdorf, there were newly proposed changes in regard to Section 3.03 since the Audit and Ethics Committee had approved the revised language. Mr. Boldt, Mr. Burgdorf and Mr. Turner answered the Committee Members' questions. Mr. Caven asked Mr. Turner to read the new proposed language:

Sec. 3.03. UTIMCO Investments in Private Investments of Certain Business Entities. UTIMCO or a UTIMCO entity may not:

- (1) invest in the private investments of a business entity if a director or director entity then owns a private investment in the same business entity unless:
  - (A) the director or director entity acquired the private investment before the date on which the director assumed a position with UTIMCO;
  - (B) the director's private investment does not constitute a pecuniary interest in a business entity as defined by Section 3.01(b) of this code; and
  - (C) the Board approves the investment by UTIMCO or the UTIMCO entity by a vote of two-thirds of the membership of the Board after a full disclosure in an open meeting of the relevant facts and a finding by the Board that the investment will not benefit the director or director entity financially;
- (2) invest in the private investments of a business entity if an employee or employee entity then owns a private investment in the same business entity; or
- (3) except as provided above, co-invest with a director, director entity, employee, or employee entity in the private investments of the same business entity.

Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that amendments to the Code of Ethics of the Corporation as presented be, and are hereby, approved, subject to approval by the Corporation's Board of Directors.

There being no further business to come before the Policy Committee, the meeting was adjourned at approximately 8:33 a.m.

Secretary: Joan Moeller  
Joan Moeller

Approved: Robert B. Rowling  
Robert B. Rowling, Chair  
Policy Committee of the Board of Directors of  
The University of Texas Investment Management Company

Date: July 20, 2006