

**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 **1st day of April 2008**, at the offices of Carlson Capital, L.P., 2100 McKinney Avenue, Dallas, Texas, 75201, 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
Ardon E. Moore

thus, constituting a majority and quorum of the Committee. Also attending the meeting were Bruce Zimmerman, CEO and Chief Investment Officer of the Corporation; Joan Moeller, Secretary and Treasurer of the Corporation; Cecilia Gonzalez, internal General Counsel for the Corporation; Jerry Turner, external General Counsel for the Corporation; and Nanci Hibschan and Marley Kornreich of Mercer. Philip Aldridge and William Huang representing The University of Texas System (UT System) participated in the meeting by telephonic conference call. Bruce Myers of Cambridge Associates joined the meeting at the point indicated below. Mr. Ferguson called the meeting to order at 3:04 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 January 30, 2008. 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 January 30, 2008 be, and are hereby, approved.

Discussion of Compensation Policy and Plan Review

Mr. Ferguson asked Ms. Hibschan to present the Incentive Plan Design Discussion Document. Ms. Hibschan handed out the discussion document which reviewed the Corporation's current incentive plan features and market prevalent practices, and also presented preliminary recommendations in developing compensation and incentive programs for university endowments. Mr. Myers joined the meeting at this time. The Mercer document was discussed at length, with Mr. Zimmerman, Ms. Hibschan and Mr. Myers answering the Committee Members' questions.

Discussion and Review of UTIMCO Peer Group

Mr. Ferguson asked Mr. Myers to provide considerations by Cambridge Associates regarding the appropriateness of the current methodology for determining the investment performance Peer Group. The UTIMCO Compensation Program currently has a Peer Group as part of the entity performance measurement. The investment performance Peer Group is comprised of organizations against which UTIMCO will measure its investment performance. Mr. Myers referenced a memorandum dated March 26, 2008, addressed to Mr. Zimmerman and Mr. Rowling, Chairman of the UTIMCO Board of Directors, regarding the peer universe. Discussion included explanation of the current peer universe, the method used when constructing the peer universe, and options to consider if the decision is made to change the current peer universe. Mr. Myers and Ms. Hibsichman answered the Committee Members' questions. Based on the discussion, it was the consensus of the Committee Members that consideration should be given to limiting the investment Peer Group for the UTIMCO Compensation Program to institutions with more than \$2.5 billion in assets, more than 10 full-time employees on the investment staff and allocations to alternative assets in excess of 40%.

The Compensation Program also requires that salary range midpoints for key management, investment, and operations be updated at least every three years based on a salary benchmarking study conducted by a qualified compensation consultant selected by the Compensation Committee. In order to complete this benchmarking study, Mercer requires a "Compensation Peer Group." Ms. Hibsichman presented her Compensation Peer Group recommendations and answered the Committee Members' questions. After discussion, it was the consensus of the Compensation Committee that the Compensation Peer Group should be defined as educational institutions and foundations with more than \$2.5 billion in assets for which Mercer has competitive data. See Exhibit A for the list of these organizations. Mercer will move forward with the compensation and benefits benchmarking study, using the aforementioned Compensation Peer Group to reflect the "not-for-profit" investment management market. They will also capture competitive compensation data from the "for-profit" investment management market by using McLagan Partners survey data.

Discussion and review of Performance Measurement Standards for Compensation Program was tabled at this meeting, due to time constraints.

The discussion of Employee Benefits was also tabled. Complete information had not been received at the time of the meeting.

There being no further business to come before the Committee, the meeting was adjourned at approximately 4:59 p.m.

Secretary: Joan Moeller
Joan Moeller

Approved: J. Philip Ferguson Date: 4/28/08
J. Philip Ferguson, Chairman of the
Compensation Committee
of The University of Texas
Investment Management Company

Exhibit A

**The University of Texas Investment Management Company
Compensation & Benefits Study**

Columbia University	Alfred I duPont Testamentary Trust ¹
Cornell University	Howard Hughes Medical Institute ¹
Dartmouth College	Mayo Foundation ¹
Duke University	Moore Foundation
Emory University ¹	Robert Wood Johnson Foundation ¹
Johns Hopkins University	The Ford Foundation
Massachusetts Inst of Technology	The J Paul Getty Trust
Northwestern	The James T and Catherine T MacArthur Foundation
Rice University	The Rockefeller Foundation
Stanford University	The William and Flora Hewlett Foundation
University of California	
University of Chicago	
University of Michigan	
University of Minnesota	
University of Notre Dame	
University of Pennsylvania	
University of Virginia	
University of Washington	
Vanderbilt University	
Washington University in St Louis	

¹ *Not Available for Benefits Study*