

**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 **9th day of September, 2008**, 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, 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 Robert B. Rowling, Chairman of the Board of Directors of the Corporation; Bruce Zimmerman, CEO and Chief Investment Officer of the Corporation; Joan Moeller, Secretary of the Corporation; Christy Wallace, Assistant Secretary of the Corporation; Cecilia Gonzalez, internal General Counsel and Chief Compliance Officer for the Corporation; Melynda Shepherd, Manager – Finance and Administration for the Corporation; Philip Aldridge, Jim Phillips and William Huang representing The University of Texas System (the "UT System"); Dusty Burke and William Volk of Vinson and Elkins LLP, and Jerry Turner of Andrews Kurth LLP. Mr. Ferguson called the meeting to order at 3:05 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 and approval of the minutes of the Compensation Committee meeting held on July 15, 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 July 15, 2008 be, and are hereby, approved.

Engagement of External Auditor

Mr. Ferguson asked Mr. Zimmerman and Ms. Moeller to discuss the recommendation to engage an external auditor to review the relative performance data and calculations of Performance Incentive Awards for the UTIMCO Compensation Program for the period ended June 30, 2008. Ms. Moeller gave an overview, noting that this is an annual requirement and she provided the Committee details of the scope of services. The Corporation's Compensation Program states that the relative performance data and calculations are to be reviewed by the Corporation's external auditor prior to awards being finalized and approved by the Board. Mr. Zimmerman and Staff recommended appointment of Deloitte & Touche, LLP to perform the agreed upon procedure services for the Performance Period ending June 30, 2008. Mr. Zimmerman, Ms. Gonzalez and Ms. Moeller answered the

Committee Members' questions. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the firm of Deloitte & Touche, LLP be, and is hereby, engaged to perform agreed upon procedure services involving the recomputation of compensation for certain employees pursuant to the UTIMCO Compensation Program for the Performance Period ending June 30, 2008, following satisfactory negotiation of an engagement letter by UTIMCO Staff.

Executive Session

Mr. Ferguson announced, at 3:10 p.m., 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 of the Committee, for the purpose of deliberating individual personnel compensation and evaluation matters. This Executive Session meeting of the Committee is authorized by *Texas Government Code*, Section 551.074 (Personnel Matters). The time is now 3:10 p.m. and the date is September 9, 2008." At this time, Ms. Moeller, Ms. Wallace, Ms. Shepherd, Mr. Aldridge, Mr. Huang, and Mr. Phillips left the meeting.

In Executive Session, the Committee discussed individual personnel compensation matters, including Qualitative Performance Goals for the Participants in the Compensation Program for 2008-2009 fiscal year. No action was taken and no vote was called for or taken by the Committee.

Open Session

The Committee reconvened in open session and Mr. Ferguson announced that, "on September 9, 2008, at 3:55 p.m., 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 3:55 p.m. During the Executive Session, the Committee discussed individual personnel compensation matters, but did not take any votes, or make any decisions."

Performance Goals

Mr. Ferguson recommended Committee approval of the UTIMCO Compensation Program Participants' qualitative goals for the 2008-2009 Performance Period. Upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, Section 5.4(a) of the UTIMCO Compensation Program (the "Plan") provides that the Compensation Committee (the "Committee") of the Board of Directors of UTIMCO will approve the Performance Goals for each Participant (other than for the CEO) for each Performance Period; and

WHEREAS, the Committee has reviewed the Qualitative Performance Goals for the Plan Participants for the 2008/2009 Performance Period as set forth in the documents presented to the Committee.

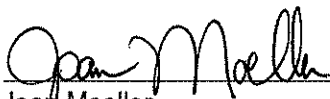
NOW, THEREFORE, be it:

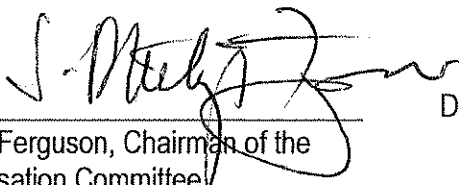
RESOLVED, that the Committee hereby approves the Qualitative Performance Goals for the Plan Participants for the 2008/2009 Performance Period, effective as of July 1, 2008, as set forth in the documents presented to the Committee.

Investment of Employee Funds

Mr. Ferguson asked Mr. Turner, Mr. Volk, and Ms. Burke to discuss the ability to allow the investment of employee funds in the General Endowment Fund ("GEF"). Mr. Turner provided background information and Ms. Burke gave a more detailed description of the two options that Vinson & Elkins had been asked to evaluate. The two options were (1) employees voluntarily defer all or some of their bonus and (2) a formation of a partnership which would allow employees to invest in the partnership. Both options were studied in detail but because of tax and security law issues, with no significant benefit to the employees, these specific investment options would not be considered at this time.

There being no further business to come before the Committee, the meeting was adjourned at approximately 4:32 p.m.

Secretary:  _____
Joan Moeller

Approved:  _____ Date: 11/17/08
J. Philip Ferguson, Chairman of the
Compensation Committee
of The University of Texas
Investment Management Company