

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

A meeting of the Policy Committee (the "Committee") of The University of Texas Investment Management Company (the "Corporation") convened in open session on **January 23, 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 Policy Committee Chair, Robert B. 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
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; Christy Wallace, Assistant Secretary of the Corporation; Bill Edwards, Managing Director of Information Technology; Cissie Gonzalez, internal General Counsel for the Corporation; Uzi Yoeli, Director - Portfolio Risk Management; Debbie Childers, Manager – Portfolio Accounting and Operations; Gary Hill, Manager – Investment Reporting for the Corporation; Jerry Turner, external General Counsel for the Corporation; Philip Aldridge, Charlie Chaffin, William Huang, Moshmee Kalamkar, Dean Metzger and Jim Phillips of UT System Administration; and Brandon Bean of TRT Holdings. Chairman Rowling called the meeting to order at 8:33 a.m. Copies of materials supporting the Committee meeting agenda were previously furnished to each Committee member.

Minutes

The first matter to come before the Policy Committee was the approval of the minutes of the Joint Meeting of the Policy and Risk Committees of the Board of Directors held on November 12, 2007. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Policy Committee:

RESOLVED, that the minutes of the Joint Meeting of the Policy and Risk Committees of the Board of Directors held on November 12, 2007, be, and are hereby, approved.

Securities Lending Policy

Mr. Rowling asked Mr. Zimmerman to discuss the Securities Lending Policy with the Committee. Mr. Zimmerman explained that the staff took a very conservative approach in implementing the management of the Securities Lending program and carefully structured a Securities Lending Agreement with the master custodian, Bank of New York/Mellon. The Committee discussed what level of risk should be adopted when

implementing the program. Mr. Zimmerman and Mr. Aldridge answered the Committee Members' questions. The Committee was comfortable with the current Policy, and no action was necessary at this time. Mr. Zimmerman will meet with the UT System Office of Finance, Bruce Myers of Cambridge Associates LLC, and the master custodian to determine if anyone has a more conservative policy and whether changes should be made to the Policy.

Master Investment Management Services Agreement

Mr. Rowling asked Mr. Zimmerman to review the proposed changes in the Master Investment Management Services Agreement ("IMSA"). Mr. Zimmerman stated that the Policy Committee is required to review the IMSA and make recommendations regarding any proposed changes to the Board of Directors, with further approval required by the Board of Regents. Minor changes were suggested by Staff and UT System, including deleting the date certain for annual review of the investment policies, and changing the references from the President to CEO consistent with current job titles. With no further comments or discussion on the proposed changes, upon motion duly made and seconded, the following resolution was unanimously adopted by the Policy Committee:

RESOLVED, that the Master Investment Management Services Agreement with UTIMCO ("IMSA") be, and is hereby, approved in the form submitted to the Policy Committee, subject to approval by the Corporation's Board and the Board of Regents of The University of Texas System.

Bylaws

Mr. Zimmerman stated that the Staff's proposed changes to the Bylaws closely mirrored the above mentioned changes to the IMSA. As with the IMSA, the proposed changes to the Bylaws must be approved by the Board of Directors, with further approval by the Board of Regents. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Policy Committee:

RESOLVED, that amendments to the Bylaws of the Corporation as presented be, and are hereby, approved, subject to approval by the Corporation's Board of Directors and the Board of Regents of The University of Texas System.

Mr. Rowling asked that the Code of Ethics be reviewed by the Committee. Mr. Rowling stated that the Corporation's Code of Ethics is more restrictive than state law requires and requested that the Policy Committee, Mr. Zimmerman, and Mr. Turner review and discuss the Code of Ethics and present recommendations regarding changes to the Code of Ethics to the Committee at its next meeting.

There being no further business to come before the Committees, the meeting was adjourned at approximately 8:50 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: April 28, 2008