

**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 open session on November 18, 2009, 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 Corporation's Bylaws. The audio portion of the meeting was electronically recorded. Participating in the meeting were the following members of the Committee:

J. Philip Ferguson, Chairman
Clint D. Carlson
Janiece M. Longoria
Ardon E. Moore

Also attending the meeting was Erle Nye, Chairman of the Board, and Printice L. Gary, Director, thus constituting a majority and quorum of the Committee and the Board. Employees of the Corporation attending the meeting were Bruce Zimmerman, CEO and Chief Investment Officer; Joan Moeller, Secretary and Treasurer; Christy Wallace, Assistant Secretary; Cissie Gonzalez, internal General Counsel and Chief Compliance Officer; and Melynda Shepherd, Manager, Finance and Administration. Also attending were Philip Aldridge representing The University of Texas System (the "UT System"); Keith Brown of the McCombs School of Business at UT Austin; and Jerry Turner and Bob Jewell of Andrews Kurth LLP. Mr. Ferguson called the meeting to order at 10:35 a.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 September 10, 2009. 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 **September 10, 2009**, be, and are hereby, approved.

Peer Group

Mr. Ferguson followed with a discussion regarding amendments to Appendix B of the UTIMCO Compensation Program related to the UTIMCO Peer Group. Mr. Ferguson stated that Cambridge Associates updates the Peer Group annually and Appendix B to the UTIMCO Compensation Program is amended accordingly. He noted that the Peer Group remained constant from last year and asked Mr. Zimmerman to explain the proposed Peer Group. Mr. Zimmerman explained that the Peer Group is a peer group of endowment funds

maintained by the Board's external investment advisor, Cambridge Associates, and is composed of all endowment funds with more than 10 full-time employee positions, allocations to alternative assets in excess of 40%, and with assets greater than \$2.5 billion, determined as of the last day of each of the three immediately preceding Performance Periods, excluding the Total Endowment Assets (PUF and GEF). The universe remained constant from 2009 to 2010 despite a few technicalities in the peer universe restrictions, and these technicalities were explained to the Committee by Mr. Zimmerman. He also reminded the Committee that beginning with the July 1, 2008 Performance Period, the Peer Group is no longer used in the calculation of entity performance, however, performance relative to the Peer Group may be included as a Qualitative Performance Goal for certain Plan Participants. The Compensation Plan Universe for 2009/2010 was provided by Cambridge Associates and upon approval will be used as the peer group for Appendix B. The amended Appendix B is attached to these minutes. Mr. Zimmerman answered the Committee Members' questions. Upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, Section 8.14 of the UTIMCO Compensation Program (the "Plan") provides that the "Peer Group" will be updated annually at the beginning of each Performance Period, and Appendix B (UTIMCO Peer Group) will be amended accordingly; and

WHEREAS, Section 7.2 of the Plan provides that the Board has the right to amend the Plan or any portion thereof from time to time; and

WHEREAS, the Committee has reviewed the proposed Appendix B and it conforms to the updated Peer Group as defined in the Plan.

NOW, THEREFORE, be it

RESOLVED, the updated and amended Appendix B (UTIMCO Peer Group), a copy of which is attached hereto, is hereby adopted and approved as part of the Plan to replace the current Appendix B, effective as of July 1, 2009, subject to Board approval.

Qualitative Performance Goals

Mr. Ferguson requested Committee review and approval for the Qualitative Performance Goals for a new employee, Mukund Joshi, for the 2009/2010 Performance Period, effective as of September 14, 2009, as set forth in the document presented to the Committee. Mr. Ferguson asked Mr. Zimmerman to give the Committee a short background on Mr. Joshi. 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 Committee will approve the Performance Goals for each Participant (other than for the CEO) for each Performance Period; and

WHEREAS, the Committee has reviewed and approves the Qualitative Performance Goals for Mukund Joshi for the 2009/2010 Performance Period as set forth in the document presented to the Committee.

NOW, THEREFORE, be it:

RESOLVED, that the Committee hereby approves the Qualitative Performance Goals for Mukund Joshi for the 2009/2010 Performance Period, effective as of September 14, 2009, as set forth in the document presented to the Committee.

Executive Session

Mr. Ferguson announced, at 10:44 a.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 matters related to Performance Incentive Awards for UTIMCO Compensation Program Participants for the Performance Period ended June 30, 2009. This Executive Session meeting of the Committee is authorized by *Texas Government Code* Section 551.074 (*Personnel Matters*). The date is November 18, 2009 and the time is now 10:44 a.m." With the exception of Chairman Nye, Mr. Zimmerman, Ms. Gonzalez, Mr. Turner, Mr. Jewell, and Dr. Brown, all other meeting participants left the meeting at this time.

Open Session

The Committee reconvened in open session and Mr. Ferguson announced that on November 18, 2009, at 11:54 a.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 date is November 18, 2009 and the time is now 11:54 a.m. During the Executive Session, the Committee deliberated individual personnel compensation matters related to Performance Incentive Awards for UTIMCO Compensation Program Participants for the Performance Period ended June 30, 2009, but no action was taken nor decisions made, and no vote was called for or had by the Committee in Executive Session."

There being no further business to come before the Committee, the meeting was adjourned at approximately 11:55 a.m.

Secretary: Joan Moeller
Joan Moeller

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

Date: 4-15-10

Appendix B

UTIMCO Peer Group

- Columbia University
- Cornell University
- Emory University
- Harvard University
- Massachusetts Institute of Technology
- Northwestern University
- Princeton University
- Rice University
- Stanford University
- The Duke Endowment
- University of California
- University of Chicago
- University of Michigan
- University of Notre Dame
- University of Pennsylvania
- University of Virginia Investment Management Company
- Vanderbilt University
- Washington University in St. Louis
- Yale University

Source: Cambridge Associates. Represents endowment funds (excluding the Total Endowment Assets) with more than 10 full-time employee positions, allocations to alternative assets in excess of 40%, and with assets greater than \$2.5 billion, all to be determined as of the last day of each fiscal year end June 2007, 2008, 2009.