

**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 September 21, 2010, 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  
Janiece Longoria  
Ardon E. Moore

thus constituting a majority and quorum of the Committee. Also attending the meeting was Paul Foster, Chairman of 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; and Cissie Gonzalez, internal General Counsel and Chief Compliance Officer. Other attendees were Jerry Turner of Andrews Kurth LLP; and William Huang and Roger Starkey of the UT System Administration. Mr. Ferguson called the meeting to order at 10:07 a.m. (CDT). 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 August 6, 2010. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the minutes of the Meeting of the Compensation Committee of the Board of Directors held on August 6, 2010, be, and are hereby, approved.

**Executive Session**

Mr. Ferguson announced, at 10:10 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 and evaluation matters related to Qualitative Performance Goals for the Participants of the UTIMCO Compensation Program for the 2010/2011 Performance Period. This Executive Session meeting of the Committee is authorized by *Texas Government Code Section 551.074 (Personnel Matters)*. The date is September 21, 2010, and the time is now 10:10 a.m." With the exception of Mr. Zimmerman and Ms. Gonzalez, all other meeting participants left the meeting at this time.

## **Open Session**

The Committee reconvened in open session and Mr. Ferguson announced that on September 21, 2010, at 10:50 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 September 21, 2010, and the time is now 10:50 a.m. During the Executive Session, the Committee deliberated individual personnel compensation and evaluation matters, but no action was taken nor decisions made, and no vote was called for or had by the Committee in Executive Session."

## **Designation of Employees in Eligible Positions as Participants in the UTIMCO Compensation Program for the 2010/2011 Performance Period**

Mr. Ferguson recommended Committee approval for the designation of employees in Eligible Positions as Participants in the UTIMCO Compensation Program for the 2010/2011 Performance Period, as set forth in Exhibit 1 (attached) that had been included in the Committee meeting materials. Upon motion duly made and seconded the following resolution was unanimously adopted:

WHEREAS, Section 5.3(a) of the UTIMCO Compensation Program (the "Plan") provides that, in order to become a "Participant" in the Plan for a Performance Period, a UTIMCO employee must be (1) employed in a position designated by the Board of Directors of UTIMCO (the "UTIMCO Board") as an "Eligible Position" for that Performance Period and (2) selected by the UTIMCO Board as eligible to participate for that Performance Period; and

WHEREAS, the Compensation Committee has reviewed and approves of the list of individuals who may become Participants for the 2010/2011 Performance Period set forth on Exhibit 1 attached hereto.

NOW, THEREFORE, be it:

RESOLVED, that the Committee hereby recommends to the UTIMCO Board that the individuals set forth on Exhibit 1 attached hereto be designated by the UTIMCO Board as "Participants" in the Plan for the 2010/2011 Performance Period, effective as of July 1, 2010.

## **Performance Goals**

Mr. Ferguson recommended Committee approval of the UTIMCO Compensation Program Participants' qualitative performance goals (other than for the CEO) for the 2010/2011 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 2010/2011 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 2010/2011 Performance Period, effective as of July 1, 2010, as set forth in the documents presented to the Committee.

### **Engagement of External Auditor**

Mr. Ferguson asked Mr. Zimmerman to discuss the recommendation to engage an external auditor to perform agreed upon procedure services for the Corporation's Compensation Program. Mr. Zimmerman gave an overview, noting that this is an annual requirement and he provided the Committee the scope of services. The Corporation's Compensation Program states that the relative performance data and calculations of the Performance Incentive Awards are to be reviewed by the Corporation's external auditor prior to the Performance Incentive Awards being finalized and approved by the Board. Mr. Zimmerman and Staff recommended the appointment of Deloitte & Touche LLP to perform certain agreed upon procedure services involving the recomputation of compensation for certain Participants in the UTIMCO Compensation Program, following the satisfactory negotiation of an engagement letter by Staff. Mr. Ferguson asked that the final report from Deloitte & Touche LLP be distributed to the Chairman of the Board and/or the Compensation Committee. Mr. Zimmerman agreed. Mr. Zimmerman 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, 2010, following satisfactory negotiation of an engagement letter by UTIMCO Staff.

### **Compensation Committee's Self-Assessment**

Mr. Ferguson asked Ms. Gonzalez to share the findings of the Committee's self-assessment responses. Based on the recommendation by the Board, each Committee of the Board evaluated its own performance. This was the first time the Compensation Committee had performed a self-assessment. Ms. Gonzalez summarized the responses she had received. Committee Members were generally satisfied with the performance of the Committee. It was noted that the Committee Members would like to have a periodic review of the Committee Charter. Regarding Process and Procedures, one area for improvement noted in the self-assessment pertained to the circulation of meeting materials by Staff with sufficient time for all Committee Members to study and understand them. Another request was to provide more time in the meetings for actual deliberations by the Committee. Mr. Zimmerman said that Staff would work to improve the process and procedures to provide meeting materials to the Committee Members in adequate time for them to review and will schedule enough time in the meetings for deliberations when necessary. Mr. Zimmerman and Ms. Gonzalez answered the Committee Members' questions.

There being no further business to come before the Committee, the meeting was adjourned at approximately 11:00 a.m.

Secretary: Joan Moeller  
Joan Moeller

Approved: J. Philip Ferguson Date: 5-9-11  
J. Philip Ferguson, Chairman of the  
Compensation Committee  
of The University of Texas  
Investment Management Company

**Exhibit 1**  
**Designation of Plan Participants in Eligible Positions**  
**in the 2010/2011 Performance Period**

**ELIGIBLE POSITION**

**PARTICIPANTS**

***Investment Professionals***

CEO & Chief Investment Officer	Bruce Zimmerman
President and Deputy CIO	Cathy Iberg
Managing Director - Private Investments	Lindel Eakman
Managing Director - Investments	Mark Warner
Senior Director - Investments	Mark Shoberg
Senior Director - Risk Management	Uzi Yoeli
Senior Portfolio Manager	Russ Kampfe
Portfolio Manager	Harland Doak
Director - Investments	Ryan Ruebsahm
Director - Investments	Susan Chen
Director - Investments	Zac McCarroll
Senior Associate - Investments	Mark Newcomb
Senior Associate - Investments	Courtney Powers
Senior Associate - Private Investments	Scott Bigham
Senior Associate - Investments	Amanda Hopper
Senior Associate - Risk Management	Kate Wagner
Associate - Private Investments	Mike McClure
Senior Analyst - Investments	Alison Hermann
Senior Analyst - Investments	Mukund Joshi
Senior Analyst - Investments	Daniel Senneff
Analyst - Investments	Natasha Cupps
Analyst - Investments	Siamc Kamalie
Analyst - Investments	Lara Jeremko
Analyst - Investments	Drury Morris

***Operations/Support Professionals***

Senior Managing Director	Joan Moeller
Managing Director	Bill Edwards
General Counsel and Chief Compliance Officer	Cissie Gonzalez
Senior Manager	Gary Hill
Manager	Debbie Childers
Manager	Melynda Shepherd
Senior Financial Analyst	Lara McKinney

Participants are eligible as of July 1, 2010