

**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 December 3, 2013, at the offices of the Corporation, Suite 2800, 401 Congress Avenue, Austin, Texas, said meeting having been called by the Committee Chair, Kyle Bass, 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:

Kyle Bass, Chairman
Jeffery D. Hildebrand
Ardon E. Moore
James P. Wilson

Chairman Bass called the meeting to order at 8:33 a.m. Chairman Bass and Directors Moore and Wilson were in attendance. Morris Foster, Chairman of the Board and Director Stillwell also attended the meeting, thus constituting a majority and quorum of the Committee and Board. Directors Hicks and Hildebrand joined the meeting later, as noted in the minutes. Employees of the Corporation attending the meeting were Bruce Zimmerman, CEO and Chief Investment Officer; Cathy Iberg, President and Deputy CIO; Joan Moeller, Secretary and Treasurer; Christy Wallace, Assistant Secretary; Cecilia Gonzalez, internal General Counsel and Chief Compliance Officer; Lindel Eakman, Managing Director – Private Markets Investments; Ryan Ruebsahm, Managing Director – Marketable Alternatives Investments; Mark Shoberg, Managing Director - Real Estate Investments; Mark Warner, Managing Director – Natural Resources; Uzi Yoeli, Senior Director - Portfolio Risk Management; Uche Abalogu, Chief Technology Officer; and other Staff members. Other attendees were Keith Brown of the McCombs School of Business at UT Austin; Jerry Turner of Andrews Kurth LLP; and Allen Hah, Terry Hull, Jim Phillips, Guillermo Garcia and Roger Starkey of The University of Texas System ("UT System") Administration. Copies of the materials supporting the agenda were previously distributed to each Committee member.

Approval of Minutes

The first matter to come before the Committee was the approval of the minutes of the Compensation Committee meeting held on November 18, 2013. 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 November 18, 2013, be, and are hereby, approved.

Performance Incentive Awards

Chairman Bass recommended to the Committee approval of the CEO's Performance Incentive Award for

the 2012/2013 Performance Period. Upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, Section 5.5.(d) of the UTIMCO Compensation Program (the "Plan") provides that, at the end of each "Performance Period," the Board will determine the level of achievement of the CEO relative to the CEO's "Performance Goals" for such Performance Period; and

WHEREAS, the Committee has reviewed the actual performance of the CEO during the Performance Period and has compared such actual performance relative to each Performance Goal category for the CEO against his corresponding Performance Goal for such Performance Period and recommends that the Board review the same; and

WHEREAS, Sections 5.5.(e) and 5.5.(f) of the Plan provide that, based on the percentage achieved of each Participant's Performance Goals for a Performance Period, a "Performance Incentive Award" will be calculated for each Participant for such Performance Period in accordance with the calculation methodology set forth in Appendix A of the Plan; and

WHEREAS, Section 5.5.(f) of the Plan provides that the Committee will review all calculations of Performance Incentive Awards, make any changes it deems appropriate, and submit its recommendation to the Board for approval; and

WHEREAS, the Committee has reviewed the calculation of the Performance Incentive Award for the CEO of the Corporation, approves such calculation, and recommends that the Board approve the CEO's Performance Incentive Award.

NOW, THEREFORE, be it:

RESOLVED, that the CEO's Performance Incentive Award for the 2012/2013 Performance Period in the total amount of \$1,270,660 is hereby approved, subject to further approval of the UTIMCO Board and be it

FURTHER RESOLVED, that of the CEO's \$1,270,660 Performance Incentive Award for the 2012/2013 Performance Period, 50% (\$635,330) will be deferred pursuant to the Plan.

Chairman Bass also recommended that the Committee approve the Incentive Awards for all Participants (excluding the CEO) for the 2012/2013 Performance Period. Upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, Section 5.5.(d) of the UTIMCO Compensation Program (the "Plan") provides that, at the end of each Performance Period, the Compensation Committee (the "Committee") will approve, subject to further approval by the UTIMCO Board (the "Board"), the "Performance Incentive Award" of each Participant (excluding the CEO) based upon a determination of the level of achievement of such Participant against his or her "Performance Goals" for such Performance Period; and

WHEREAS, in accordance with Section 5.5.(d) of the Plan, the Committee has determined the level of achievement of each Participant in the Plan during the 2012/2013 Performance Period of his or her Performance Goals for such Performance Period; and

WHEREAS, Section 5.5.(e) of the Plan provides that, based on the percentage achieved of each Participant's Performance Goals for a Performance Period, a Performance Incentive Award will be calculated for each Participant for such Performance Period in accordance with the calculation methodology set forth in Appendix A of the Plan; and

WHEREAS, Section 5.5.(f) of the Plan provides that the Committee will review all calculations of Performance Incentive Awards, make any changes it deems appropriate, and submit its recommendation to the Board for approval; and

WHEREAS, the Compensation Committee has reviewed the Performance Incentive Awards for all Participants who have met or exceeded their performance benchmarks for the 2012/2013 Performance Period and wishes to document approval of such Performance Incentive Awards and recommend that the Board approve the same.

NOW, THEREFORE, be it:

RESOLVED, that the Performance Incentive Awards for all Participants (excluding the CEO) for the 2012/2013 Performance Period in the total aggregate amount of \$6,131,399 is hereby approved, subject to further approval of the UTIMCO Board and be it

FURTHER RESOLVED, that of the Performance Incentive Awards for all Participants (excluding the CEO), 26% (1,587,585) will be deferred pursuant to the Plan.

Designation of Employees in Eligible Positions as Participants in the Plan for the 2013/2014 Performance Period

Chairman Bass asked the Committee to recommend designation of two individuals recently hired by the Corporation as Participants in the Plan for the 2013/2014 Performance Period. 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, Eligible Positions are designated and included in Appendix C, Table 1 of the Plan, which will be revised and updated as necessary and approved by the Committee and Board at future meetings; and

WHEREAS, the Compensation Committee approves the designation of Spencer Swayze (Senior Associate – Investments) and Kyle Burhop (Analyst – Investments) as Participants of the Plan for the Performance Period ended August 31, 2014.

NOW, THEREFORE, be it:

RESOLVED, that the Committee hereby recommends to the UTIMCO Board that Spencer Swayze (Senior Associate – Investments) and Kyle Burhop (Analyst – Investments) be designated by the UTIMCO Board as “Participants” in the Plan for the Performance Period ended August 31, 2014, effective as of December 2, 2013 and January 2, 2014, respectively.

Qualitative Performance Goals for the Participants of the UTIMCO Compensation Program for the Performance Period ending August 31, 2014

Chairman Bass also requested approval of the Qualitative Performance Goals for the Participants of the UTIMCO Compensation Program for the Performance Period ending August 31, 2014, for Mr. Swayze and Mr. Burhop. Director Hildebrand joined the meeting at this time. 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 Spencer Swayze and Kyle Burhop for the 2013/2014 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 Spencer Swayze and Kyle Burhop for the 2013/2014 Performance Period, effective as of December 2, 2013 and January 2, 2014, respectively, as set forth in the documents presented to the Committee.

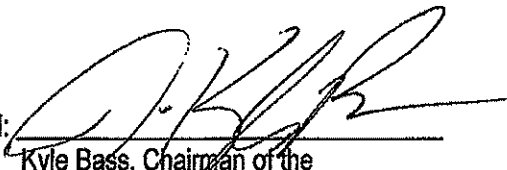
Private Investment Benchmark Discussion

Chairman Bass asked Mr. Zimmerman to provide information to the Committee regarding the private investment benchmark. Director Hicks joined the meeting at this time. Mr. Zimmerman stated that no action was necessary at this time. He began his presentation with a summary of private investment benchmarks, which had last been addressed by the Committee nine years before. The private investment benchmarks affect investment compensation and are the most difficult of benchmarks to determine. Mr. Zimmerman stated that Staff supports the new benchmark recommendation by Cambridge. He continued by providing context of the private investment benchmark, its purpose and impact, principles, concerns and challenges. He provided the Committee with Corporation history, recent analysis, recommendations and

an implementation plan. Mr. Zimmerman, Mr. Eakman, Mr. Shoberg, Mr. Warner and Dr. Yoeli answered the Committee Members' questions.

There being no further business to come before the Committee, the meeting was adjourned at approximately 9:03 a.m.

Secretary:  _____
John Moeller

Approved:  _____ Date: 2/27/14
Kyle Bass, Chairman of the
Compensation Committee
of The University of Texas
Investment Management Company