

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

A meeting of the Compensation Committee (the "Committee") of The University of Texas Investment Management Company (the "Corporation") convened in open session on **April 13, 2015**, 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, H. Lee S. Hobson, 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:

H. Lee S. Hobson, Chair  
Kyle Bass  
Jeffery D. Hildebrand

thus constituting a majority and quorum of the Committee. Committee Member Ardon E. Moore did not attend the meeting. Director Phil Adams attended the meeting. Committee Chair ("Chairman") Hobson called the meeting to order at 10:01 a.m. Employees of the Corporation attending the meeting were Bruce Zimmerman, CEO and Chief Investment Officer; Joan Moeller, Secretary and Treasurer; Christy Wallace, Assistant Secretary; Cecilia Gonzalez, internal General Counsel and Chief Compliance Officer; and other staff members. Other attendees were Terry Hull of the UT System Administration; and Jerry Turner of Andrews Kurth LLP. Copies of materials supporting the Committee meeting agenda were previously furnished to each Committee member.

**Approval of Minutes**

Chairman Hobson asked for Committee approval of the minutes from the Committee meetings held on November 17, 2014 and November 18, 2014. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the minutes of the Meetings of the Compensation Committee of the Board of Directors held on November 17, 2014 and November 18, 2014, be, and are hereby, approved.

**Executive Session**

Chairman Hobson announced, at 10:02 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. This Executive Session meeting of the Committee is authorized by *Texas Government Code* Section 551.074 (Personnel Matters). The date is April 13, 2015, and the time is now 10:02 a.m." With the exception of Mr. Turner and Mr. Zimmerman, all other staff members left the meeting. Mr. Zimmerman left the meeting during discussion regarding his compensation matters.

## Open Session

The Committee reconvened in open session and Chairman Hobson announced that "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 April 13, 2015, and the time is now 11:00 a.m. During the Executive Session, the Committee deliberated individual personnel compensation 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 Performance Period ending August 31, 2015

Chairman Hobson asked Mr. Zimmerman to explain proposed Committee approval of the designation of Patrick Pace, a new employee, in the Eligible Position of Director – Private Investments as a Participant in the UTIMCO Compensation Program (the "Plan") effective January 5, 2015, and due to his promotion, the change in designation of William Prather from the Eligible Position of Senior Associate, Investments to the Eligible Position of Director, Investments, effective as of March 1, 2015, both for the 2014/2015 Performance Period. Upon motion duly made and seconded the following resolutions were 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 UTIMCO Board at future meetings; and

WHEREAS, the Compensation Committee approves the designation of Patrick Pace (Director – Private Investments) as a Participant of the Plan for the Performance Period ended August 31, 2015.

NOW, THEREFORE, be it:

RESOLVED, that the Committee hereby recommends to the UTIMCO Board that Patrick Pace (Director – Private Investments) be designated by the UTIMCO Board as a "Participant" in the Plan for the Performance Period ended August 31, 2015, effective as of January 5, 2015.

And,

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, William Prather, currently designated in the Plan in the Eligible Position of Senior Associate, Investments has been promoted to Director, Investments, and

WHEREAS, the Committee has determined that, due to Mr. Prather's promotion, it is appropriate to move Mr. Prather to the Eligible Position of Director, Investments and to weight his Incentive Award Opportunity and Percentage of Award Deferred for the Performance Period ended August 31, 2015, based on the actual time spent in each Eligible Position.

NOW, THEREFORE, be it:

RESOLVED, that the Committee approves the designation of William Prather in the Eligible Position of Director, Investments for the 2014/2015 Performance Period, effective as of March 1, 2015, and hereby recommends that the UTIMCO Board approve same; and

FURTHER RESOLVED, that the Committee approves the weighting of Mr. Prather's Incentive Award Opportunity and Percentage of Award Deferred for the 2014/2015 Performance Period, based on the time spent by Mr. Prather in each Eligible Position for the Performance Period ended August 31, 2015, and hereby recommends that the UTIMCO Board approve same.

#### **Qualitative Performance Goals for Participants of the Plan for the Performance Period ending August 31, 2015**

Mr. Zimmerman explained to the Committee the proposed recommendation of individual Qualitative Performance Goals of the Participants. Two newly hired employees, Richard Rincon and Patrick Pace, were designated as Employees in Eligible Positions. Their Qualitative Performance Goals were presented to the Committee during Executive Session. Chairman Hobson recommended to the Committee approval of Mr. Zimmerman's request to approve Mr. Rincon's and Mr. Pace's Qualitative Performance Goals as presented in Executive Session. 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 Richard Rincon and Patrick Pace for the 2014/2015 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 Richard Rincon and Patrick Pace, effective November 10, 2014 and January 5, 2015, respectively, as set forth in the documents presented to the Committee.


#### Selection of UTIMCO Compensation Consultant

The Committee selects and retains the services of an independent qualified compensation consultant, as necessary, as set forth in the Charter of the Committee, to assist the Committee with its duties and responsibilities, and periodically perform a salary benchmarking study. Chairman Hobson requested Committee approval to allow him to review consulting firms and engage a consultant to inform and advise the Committee regarding compensation matters. Upon motion duly made and seconded, the following resolution was unanimously adopted:


RESOLVED, that the Compensation Committee empowers its chair, H. Lee S. Hobson, to engage a consultant to inform and advise the Committee regarding compensation matters for the 2015-2016 performance period.

There being no further business to come before the Committee, the meeting was adjourned at approximately 11:06 a.m.

Secretary:

  
Joan Moeller

Approved:

  
H. Lee S. Hobson, Chair  
Compensation Committee of  
The University of Texas Investment Management Company

Date:

