

**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 an open meeting on the **31st day of October, 2002**, at the Hotel Crescent Court, 400 Crescent Court, Dallas, Texas, said meeting having been called by the Chairman, J. Luther King, Jr., with notice provided to each member in accordance with the Bylaws. Participating in the meeting were the following members of the Committee:

J. Luther King, Jr., Chairman
L. Lowry Mays
John D. McStay

thus, constituting a majority and quorum of the Committee. Also, participating in the meeting were Directors A. W. “Dub” Riter, Jr. and Woody L. Hunt; Bob L. Boldt, President, CEO and CIO of the Corporation; and Jerry E. Turner, legal counsel for the Corporation. Mr. King called the meeting to order at 9:00 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 of approval of the minutes of the Committee meeting held on September 18, 2002. 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 18, 2002, be and are hereby approved.

Executive Session – 2002 Performance Compensation Awards

Following approval of the minutes, at 9:15 a.m., Mr. King announced 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 discussing personnel compensation matters for corporation

employees. This Executive Session meeting of the Committee is authorized by Texas Government Code, Section 551.074 (Personnel Matters). The time is now 9:15 a.m.”

In Executive Session, the Committee discussed personnel compensation matters. Mr. Boldt did not participate in any portion of the discussion relating to his compensation. No action was taken and no vote was called for or taken by the Committee.

The Committee reconvened at 11:15 a.m. in open session and Mr. King 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 time is now 11:15 a.m. During the Executive Session, the Committee discussed personnel compensation matters, but did not take any votes.”

Approval of 2002 Performance Compensation Awards

Mr. Boldt reviewed the materials supporting the proposed performance compensation awards for the period of September 1, 2001 through August 31, 2002. He answered the Committee members’ questions. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the Performance Compensation Awards (for the period September 1, 2001 through August 31, 2002) in the amount of \$169,933 as presented to the Committee versus last year’s amount paid of \$21,808 be and are hereby approved.

The Performance Compensation Award for the President, CEO and CIO will be recommended for approval by the Board of Directors.

Mr. Boldt also requested approval of the Base Salaries for all employees of the Corporation for the period of September 1, 2002 through August 31, 2003. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the Base Salaries for all employees of the Corporation for the Period September 1, 2002 through August 31, 2003 in the amount of \$3,550,248 and below 2003 budgeted amount of \$3,759,426, as presented to the Committee are hereby approved.

Approval of the UTIMCO Performance Compensation Plan for the 2002-2003 Fiscal Year and the Performance Compensation Plan Guidelines - 2002-2003 Fiscal Year, as presented to the Committee were deferred until the next meeting of the Compensation Committee.

There being no further business to come before the Committee, the meeting was adjourned at approximately 11:30 a.m.

Approved: _____ Date: _____

J. Luther King, Jr., Chairman of the
Compensation Committee
of The University of Texas
Investment Management Company