

**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 **10th of October, 2003**, at The Adolphus Hotel, 1321 Commerce Street, 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
James R. Huffines

thus, constituting a majority and quorum of the Committee. Director Susan M. Byrne was not present at the meeting. Also, participating in the meeting were Director Woody L. Hunt; Bob L. Boldt, President of the Corporation; Jerry Turner, legal counsel for the Corporation; Bruce Myers of Cambridge Associates; and Diane Doubleday and Greg Smith of Mercer Human Resource Consulting. Mr. King called the meeting to order at 7:40 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 12, 2003. A request for correction of the minutes regarding the resolutions adopted relating to the Base Salaries of the Corporation's Officers, including the President, 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 12, 2003, be and are hereby, approved, subject to revision as requested by the Committee; and

RESOLVED, FURTHER, that the President and the Secretary of the Corporation be and they are hereby authorized and directed to revise the minutes and to take such other action to accomplish the purposes of the foregoing resolution.

Executive Session - Personnel Compensation

Following approval of the minutes, at 7:45 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 deliberating

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 7:45 a.m."

In Executive Session, the Committee discussed personnel compensation matters. No action was taken and no vote was called for or taken by the Committee.

The Committee reconvened at 9:30 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 9:30 a.m. During the Executive Session, the Committee discussed personnel compensation matters, but did not take any votes."

Approval of Performance Compensation Plan Awards

Mr. Boldt requested approval of the Corporation's Performance Compensation Plan Awards (except that of the President) 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 Performance Compensation Plan Awards for 2002-2003 Fiscal Year for the Plan Participants (excluding the President) as presented by the President (adjusted to provide for total Awards to such Participants of \$667,960) be, and is hereby, approved.

Mr. King then recommended that the Corporation's President's Performance Compensation Plan Award be submitted to the Corporation's Board of Directors. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the Performance Compensation Plan Award for 2002-2003 Fiscal Year for the President in the amount of \$298,800 be, and is hereby approved, subject to approval of the Corporation's Board of Directors.

Mr. King noted that 50% of all of the approved Awards is subject to a two year deferral under the Corporation's Performance Compensation Plan.

There being no further business to come before the Committee, the meeting was adjourned at approximately 9:37 a.m.

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

Date: _____

