

**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 **24th day of May, 2004**, by means of conference telephone enabling all persons participating in the meeting to hear each other, at the offices of the Corporation, Town Lake Conference Room, 221 West 6th Street, Austin, Texas, 78701, 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
Susan M. Byrne
J. Philip Ferguson

thus, constituting a majority and quorum of the Committee. Committee member James R. Huffines did not participate in the meeting. Also, attending the meeting were Woody L. Hunt, Chairman of the Board; Bob L. Boldt, President of the Corporation; Joan Moeller, Secretary and Treasurer of the Corporation; Christy Wallace, Assistant Secretary of the Corporation; Jerry Turner, legal counsel for the Corporation; and Philip Aldridge, U. T. System Administration. Mr. King called the meeting to order at 2:30 p.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 December 19, 2003. 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 December 19, 2003, be, and are hereby, approved.

Compensation Charter

Mr. King then presented the proposed Charter of the Compensation Committee. Mr. King asked Ms. Moeller to lead the discussion of the proposed Charter. Ms. Moeller explained that the Compensation Committee is the only Board committee that does not have an existing charter. The Charter will better document the Compensation Committee oversight and duties and will also satisfy the Delegation of

Authority reference to subcommittee charters. Ms. Moeller and Mr. Hunt answered the Directors' questions. Upon motion duly made and seconded, the following resolution was adopted:

RESOLVED, that the Charter of the Compensation Committee, as recommended be, and is hereby approved in the form submitted to the Committee, subject to approval of the Corporation's Board of Directors.

There being no further business to come before the Committee, the meeting was adjourned at approximately 2:45 p.m.

Approved: _____ Date: _____

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