

**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 **14th day of July, 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. The audio portion of the open meeting was electronically recorded. Participating in the meeting were the following members of the Committee:

. J. Luther King, Jr., Chairman
J. Philip Ferguson

thus, constituting a majority and quorum of the Committee. Committee member Susan M. Byrne 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 11:35 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 May 24, 2004. 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 May 24, 2004, be, and are hereby, approved.

Executive Session - Personnel Compensation

Following approval of the minutes, at 11:40 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 11:40 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 12:20 p.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 12:20 p.m. During the Executive Session, the Committee discussed personnel compensation matters, but did not take any votes."

Approval of Officers' Base Salaries

Mr. Boldt requested approval of the Corporation's Officers' Base Salaries (except the President) for the period of September 1, 2004 through August 31, 2005. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the approval of the Corporation's Officers' Base Salaries (except that of the President) for the Fiscal Year 2004-2005 in the amount of \$1,650,800 as presented by the President and amended by the Compensation Committee be, and is hereby, approved.

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

RESOLVED, that the Corporation's President's Base Salary for the Fiscal Year 2004-2005 in the amount of \$470,000 will be submitted to the Corporation's Board of Directors with a recommendation for approval.

There being no further business to come before the Committee, the meeting was adjourned at approximately 12:25 p.m.

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