

**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 **13th day of June, 2006**, by means of conference telephone enabling all persons participating in the meeting to hear each other, at the offices of the Corporation, Lone Star Conference Room, 401 Congress Avenue, Austin, Texas, said meeting having been called by the Committee Chair, J. Philip Ferguson, 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. Philip Ferguson, Chairman  
Clint D. Carlson

thus, constituting a majority and quorum of the Committee. Committee member Robert B. Rowling was not present at the meeting. Also attending the meeting were H. Scott Caven, Jr., Chairman of the Board; Bob L. Boldt, President of the Corporation; Greg Lee, Manager of Finance and Administration; Jerry Turner, legal counsel for the Corporation; Keith Brown of the McCombs School of Business at UT Austin; William Huang and Cathy Swain of UT System Administration; and Nanci Hibsichman and Warren Kerper of Mercer Human Resource Consulting. Dusty Burke of Vinson and Elkins joined the meeting later as noted in the minutes. Mr. Ferguson called the meeting to order at 10:36 a.m. Copies of the materials supporting the agenda were previously distributed to each Committee member.

Mr. Ferguson stated that the Committee would be discussing and considering personnel compensation items, a report prepared by Mercer Human Resource Consulting, and revisions to the Corporation's Compensation Program.

**Approval of Minutes**

The first item to come before the Committee was consideration of approval of the minutes of the Committee meeting held on March 7, 2006. 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 March 7, 2006, be, and are hereby, approved.

**Executive Session**

Mr. Ferguson announced, at 10:39 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 personnel compensation matters. This Executive Session meeting of the Committee is authorized by Texas Government Code, Section 551.074 (Personnel Matters). The time is now 10:39 a.m."

right in its discretion to amend the Plan or any portion thereof from time to time;  
and

WHEREAS, UTIMCO and the Board wish to amend the Plan in certain respects and to incorporate such amendments into an Amended and Restated Plan, in the form previously provided to the Compensation Committee of the Board (the "Committee"); and

WHEREAS, the Committee has reviewed the proposed amendments to the Plan;

NOW, THEREFORE, be it:

RESOLVED, that the Committee hereby recommends to the Board that the Board approve and adopt the Amended and Restated Plan, effective as of the dates stated therein.

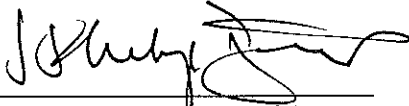
**Eligible Positions, Weightings, and Incentive Award Opportunities**

Mr. Ferguson asked Mr. Boldt to present the next item for consideration. Mr. Boldt gave a recommendation to the Committee to adopt the Eligible Positions, Weightings, and Incentive Award Opportunities for the Corporation's Compensation Program participants for the 2006-2007 performance period as reported. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the Compensation Committee of the Board (the "Committee") hereby approves the Eligible Positions, Weightings, and Incentive Award Opportunities for Participants in the UTIMCO Compensation Program (the "Plan") for the 2006-2007 performance period, as presented, and recommends to the UTIMCO Board that the Incentive Award Opportunities be approved for inclusion in Appendix C of the Plan.

There being no further business to come before the Committee, the meeting was adjourned at approximately 12:38 p.m.

Secretary:   
Joan Moeller

Approved:  Date: 9.22.06  
J. Philip Ferguson, Chairman of the  
Compensation Committee  
of The University of Texas  
Investment Management Company