

**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 **30<sup>th</sup> day of January 2008**, at the Ritz-Carlton Hotel Dallas, 2121 McKinney Avenue, Dallas, Texas, 75201, 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  
Ardon E. Moore

thus, constituting a majority and quorum of the Committee. Also attending the meeting were Bruce Zimmerman, CEO and Chief Investment Officer of the Corporation; Joan Moeller, Secretary and Treasurer of the Corporation; Christy Wallace, Assistant Secretary of the Corporation; Cecilia Gonzalez, internal General Counsel for the Corporation; and Jerry Turner, external General Counsel for the Corporation. Mr. Ferguson called the meeting to order at 8:04 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 November 15, 2007. 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 November 15, 2007 be, and are hereby, approved.

**Eligible Position, Weightings of Performance Goals, Incentive Award Opportunity for Eligible Position and Participant**

Mr. Ferguson asked Mr. Zimmerman to present the next item for consideration. Mr. Zimmerman gave a recommendation to the Committee, as required by the Corporation's Compensation Program, setting forth the position of Director – Natural Resources as an Eligible Position under the Compensation Program and requested approval for the Weightings of Performance Goals, and Incentive Award Opportunities for that Eligible Position and select Mark Warner as a Participant in the Plan for the 2007/2008 Performance Period. Mr. Zimmerman answered the Committee Members' questions. Upon motion duly made and seconded, the following resolutions were unanimously adopted:

WHEREAS, the UTIMCO Board has established a UTIMCO Compensation Program (the "Plan") for certain employees of the Corporation; and

WHEREAS, Section 5.3.(a) of the Plan provides that, in order to become a "Participant" in the Plan for a Performance Period, a UTIMCO employee must be (1) employed in a position designated by the Board of Directors of UTIMCO (the "UTIMCO Board") as an "Eligible Position" for that Performance Period and (2) selected by the UTIMCO Board as eligible to participate for that Performance Period; and

WHEREAS, the UTIMCO Board has the discretion to designate the employment position of a newly hired or promoted employee as an Eligible Position and may designate such newly hired or promoted employee as eligible to participate in the Plan for a Performance Period (or remainder of a Performance Period) within 30 days of hire or promotion, or if later, as soon as administratively feasible after such hire or promotion; and

WHEREAS, Mark Warner was hired as the Director – Natural Resources on November 19, 2007; and

WHEREAS, subject to approval by the UTIMCO Board, the CEO designated the position of Director – Natural Resources as an Eligible Position for the 2007/2008 Performance Period as provided by Section 5.3.(a) of the Plan; and

WHEREAS, the Compensation Committee approves the designation of the position of Director – Natural Resources as an Eligible Position and Mark Warner as a "Participant" in the Plan for the 2007/2008 Performance Period, effective as of November 19, 2007; and

WHEREAS, Section 5.4.(d) of the Plan provides that, subject to the approval of the UTIMCO Board, the Compensation Committee will approve (or adjust as it deems appropriate) the Weightings of the Performance Goals (entity, asset class, and individual) for each Participant (other than for the CEO) for each Performance Period; and

WHEREAS, Section 5.5.(a) of the Plan provides that, subject to the approval of the UTIMCO Board, the Committee will determine the Incentive Award Opportunity for each Performance Goal for each Participant in an Eligible Position; and

WHEREAS, the Committee has reviewed and approves the Eligible Position, Weightings of the Performance Goals, and the Incentive Award Opportunities for the position of Director – Natural Resources for the 2007/2008 Performance Period as presented to the Committee.

NOW, THEREFORE, be it:

RESOLVED, that the Committee hereby recommends to the UTIMCO Board that the position of Director – Natural Resources be designated by the UTIMCO Board

as an "Eligible Position" in the Plan for the 2007/2008 Performance Period; and be it

FURTHER RESOLVED, that the Committee hereby recommends to the UTIMCO Board that Mark Warner be designated by the UTIMCO Board as a "Participant" in the Plan for the 2007/2008 Performance Period, effective as of November 19, 2007; and be it

FURTHER RESOLVED, that the Committee hereby recommends to the UTIMCO Board that the Eligible Position, Weightings of Performance Goals, and Incentive Award Opportunities for the Eligible Position of Director – Natural Resources for the 2007/2008 Performance Period be approved in the manner presented to the Committee, effective as of November 19, 2007.

### **Executive Session**

Mr. Ferguson announced, at 8:20 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 individual personnel compensation and evaluation matters. This Executive Session meeting of the Committee is authorized by *Texas Government Code*, Section 551.074 (Personnel Matters). The time is now 8:20 a.m. and the date is January 30, 2008." At this time, Ms. Wallace left the meeting.

In Executive Session, the Committee discussed individual personnel compensation and evaluation matters, including the Director – Natural Resources performance incentive award for the 2006/2007 Performance Period. No action was taken and no vote was called for or taken by the Committee.

### **Open Session**

The Committee reconvened in open session and Mr. Ferguson announced that, "on January 30, 2008 at 8:30 a.m., 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 8:30 a.m. During the Executive Session, the Committee discussed individual personnel compensation and evaluation matters, but did not take any final actions or votes, or make any decisions."

### **Approval of Performance Goals**

Mr. Ferguson recommended approval of individual Performance Goals for the Director – Natural Resources as presented. Upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, Section 5.4.(a) of the UTIMCO Compensation Program (the "Plan") provides that the CEO will recommend performance goals for employees who are hired or promoted during a Performance Period and become Participants in the

Plan at the time those employees are designated as Participants, subject to confirmation by the Compensation Committee (the "Committee") of the Board of Directors of UTIMCO as soon as administratively feasible after such Performance Goals are recommended; and

WHEREAS, the Committee has reviewed the proposed individual Performance Goals document for Mark Warner, who was hired during the 2007/2008 Performance Period and has been designated as a Participant in the Plan for the 2007/2008 Performance Period effective November 19, 2007.

NOW, THEREFORE, be it:

RESOLVED, that the individual Performance Goals document for Mark Warner for the 2007/2008 Performance Period as presented to the Committee are hereby approved, effective November 19, 2007.

### Compensation Policy Review

Mr. Ferguson asked Mr. Zimmerman to provide an update on his discussions related to the Compensation Program and review on restructuring. Mr. Zimmerman distributed a handout that contained bullet points from his discussions with each of the Board members regarding the Compensation Program. These notes covered comments on the existing Plan, including requests to simplify the current plan, one that effectively aligns the interests of the Funds and the individual, evaluating absolute returns along with benchmarks and peer group, and also include measures of risk-adjusted returns. Mr. Zimmerman and Mr. Turner answered the Committee Members' questions.

There being no further business to come before the Committee, the meeting was adjourned at approximately 9:03 a.m.

Secretary: Joan Moeller  
Joan Moeller

Approved: J. Philip Ferguson Date: 4/22/08  
J. Philip Ferguson, Chairman of the  
Compensation Committee  
of The University of Texas  
Investment Management Company