

**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 open session on June 3, 2009, by means of conference telephone enabling all persons participating in the meeting to hear each other, at the offices of the Corporation, Suite 2800, 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 Corporation's Bylaws. The audio portion of the 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

Also attending the meeting were Erle Nye, Chairman of the Board; Paul Foster, Director; and Janiece M. Longoria, Director, thus constituting a majority and quorum of the Committee and Board. Employees of the Corporation attending the meeting were Bruce Zimmerman, CEO and Chief Investment Officer; Joan Moeller, Secretary and Treasurer; Christy Wallace, Assistant Secretary; Cissie Gonzalez, internal General Counsel and Chief Compliance Officer. Also attending were Philip Aldridge, Jim Phillips, Roger Starkey and William Huang representing The University of Texas System (the "UT System"); Keith Brown of the McCombs School of Business at UT Austin; Jerry Turner of Andrews Kurth LLP; and Nanci Hibschan of Mercer Consulting. Mr. Ferguson called the meeting to order at 4:33 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 and approval of the minutes of the Compensation Committee meeting held on May 26, 2009. Upon motion duly made and seconded, the following resolution was unanimously adopted:

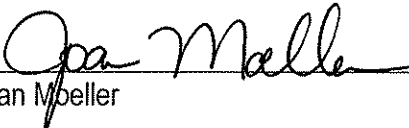
RESOLVED, that the minutes of the meeting of the Compensation Committee held on May 26, 2009 be, and are hereby, approved.

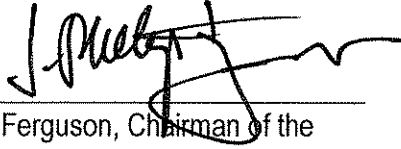
Review of Structure of UTIMCO Compensation Program

Before beginning the discussion of the structure of the UTIMCO Compensation Program (the "Plan"), Mr. Ferguson noted that Mercer Consulting had discovered a computational error in data distributed as part of the compensation study from last year. Although the data used for last year's study was, therefore, not exact, all decisions made fell within the set guidelines as subsequently reviewed with exactly accurate data. The Committee members and Staff were made aware of the error by Mercer immediately and were assured by Mercer that the current data provided for this year's study is correct.

Mr. Ferguson then asked Ms. Hibschan to first present Mercer's recommended design changes to the Plan and asked Mr. Zimmerman to follow her presentation by discussing the Staff's proposed changes to the Plan as set forth in the Exhibits included in the meeting materials. Ms. Hibschan began by outlining the documentation process and overview of the current Plan design by component. She discussed industry best practices, how the Plan compares with these best practices, and recommendations for change. She then focused on the proposed changes to the Plan which included incorporating the absolute return of the Total Endowment Assets (Permanent University Fund and General Endowment Fund) more directly into the award determination and payout as well as amendments to expand the Board's discretion to change the payment of awards in extraordinary circumstances. Mr. Zimmerman discussed proposed changes to weightings and incentive award opportunities for the Eligible Positions in the Plan. Mr. Zimmerman also discussed staff's recommendation changing the required deferral percentage for certain Eligible Positions. A lengthy discussion regarding the instances that would be considered "extraordinary circumstances" that would permit the Board to change the timing or amount of awards followed. Mr. Zimmerman and Ms. Hibschan answered the questions of the Committee Members. Mr. Foster left the meeting during discussion of the Plan. The Committee asked Ms. Hibschan to return to the Committee with proposals for modification of the awards for extraordinary circumstances that would permit the Board to change the timing or amount of the awards.

There being no further business to come before the Committee, the meeting was adjourned at approximately 6:06 p.m.

Secretary: 
Joan Moeller

Approved:  Date: 6-30-09
J. Philip Ferguson, Chairman of the
Compensation Committee
of The University of Texas
Investment Management Company