

**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 **November 20, 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
Janiece M. Longoria
Ardon E. Moore

Also attending the meeting were Erle Nye, Chairman of the Board and Paul Foster, Director, thus constituting a majority and quorum of the Committee and the 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; and Cissie Gonzalez, internal General Counsel and Chief Compliance Officer. Also attending were Keith Brown of the McCombs School of Business at UT Austin; and Jerry Turner and Bob Jewell of Andrews Kurth LLP. Mr. Ferguson called the meeting to order at 9:30 a.m. Prentice Gary, Director, joined the meeting later as noted in the minutes. Copies of the materials supporting the agenda were previously distributed to each Committee member.

Executive Session

Mr. Ferguson announced, at 9:30 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 matters related to Performance Incentive Awards for UTIMCO Compensation Program Participants for the Performance Period ended June 30, 2009. This Executive Session meeting of the Committee is authorized by *Texas Government Code* Section 551.074 (*Personnel Matters*). The date is November 20, 2009 and the time is now 9:30 a.m." Mr. Gary joined the meeting at this time. Ms. Moeller and Ms. Wallace left the meeting at this time.

Open Session

The Committee reconvened in open session and Mr. Ferguson announced that on November 20, 2009, at 10:10 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 date is November 20,

2009, and the time is now 10:10 a.m. During the Executive Session, the Committee deliberated individual personnel compensation matters related to Performance Incentive Awards for UTIMCO Compensation Program Participants for the Performance Period ended June 30, 2009, but no action was taken nor decisions made, and no vote was called for or had by the Committee in Executive Session."

Voluntary Deferral of Performance Incentive Awards

Mr. Ferguson recommended Committee approval of voluntary deferral of Performance Incentive Awards from members of the Corporation's Senior Staff. Each individual offered to voluntarily defer 44.1% of his/her Performance Incentive Award, if any, for the Performance Period ended June 30, 2009 (which voluntary deferment is in addition to the mandatory 30% deferment required by the UTIMCO Compensation Program (the "Plan")). Upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, the Committee has received and reviewed letter agreements from each of five members of Corporation's Senior Staff pursuant to which each individual offered to voluntarily defer 44.1% of his/her Performance Incentive Award, if any, for the Performance Period ended June 30, 2009 (which voluntary deferment is in addition to the mandatory 30% deferment required by the UTIMCO Compensation Program (the "Plan")), wishes to document approval of such letter agreements, and recommend that the Board approve the same.

NOW, THEREFORE, be it:

RESOLVED, that the letter agreements received from each of five members of Corporation's Senior Staff pursuant to which each individual offered to voluntarily defer an additional 44.1% of his/her Performance Incentive Award, if any, for the Performance Period ended June 30, 2009 (which voluntary deferment is in addition to the mandatory 30% deferment required by the Plan) are hereby approved, subject to further approval of the UTIMCO Board.

Mr. Ferguson next recommended to the Committee approval of the CEO's Performance Incentive Award for the 2008/2009 Performance Period. Upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, Section 5.5(d) of the UTIMCO Compensation Program (the "Plan") provides that, at the end of each "Performance Period," the Board will determine the level of achievement of the CEO relative to the CEO's "Performance Goals" for such Performance Period; and

WHEREAS, the Committee has reviewed the actual performance of the CEO during the Performance Period and has compared such actual performance relative to each Performance Goal category for the CEO against his

corresponding Performance Goal for such Performance Period and recommends that the Board review the same; and

WHEREAS, Sections 5.5(e) and 5.5(f) of the Plan provide that, based on the percentage achieved of each Participant's Performance Goals for a Performance Period, a "Performance Incentive Award" will be calculated for each Participant for such Performance Period in accordance with the calculation methodology set forth in Appendix A of the Plan; and

WHEREAS, Section 5.5(f) of the Plan provides that the Committee will review all calculations of Performance Incentive Awards, make any changes it deems appropriate, and submit its recommendation to the Board for approval; and

WHEREAS, the Committee has reviewed the calculation of the Performance Incentive Award for the CEO of the Corporation, approves such calculation, and recommends that the Board approve the CEO's Performance Incentive Award.

NOW, THEREFORE, be it:

RESOLVED, that the CEO's Performance Incentive Award for the 2008/2009 Performance Period in the total amount of \$576,234 is hereby approved, subject to further approval of the UTIMCO Board.

Mr. Ferguson also recommended that the Committee approve the Incentive Awards for all Participants (excluding the CEO) for the 2008/2009 Performance Period. Upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, Section 5.5(d) of the UTIMCO Compensation Program (the "Plan") provides that, at the end of each Performance Period, the Compensation Committee (the "Committee") will approve, subject to further approval by the UTIMCO Board (the "Board"), the "Performance Incentive Award" of each Participant based upon a determination of the level of achievement of such Participant against his or her "Performance Goals" for such Performance Period; and

WHEREAS, in accordance with Section 5.5(d) of the Plan, the Committee has determined the level of achievement of each Participant in the Plan during the 2008/2009 Performance Period of his or her Performance Goals for such Performance Period; and

WHEREAS, Section 5.5(e) of the Plan provides that, based on the percentage achieved of each Participant's Performance Goals for a Performance Period, a Performance Incentive Award will be calculated for each Participant for such Performance Period in accordance with the calculation methodology set forth in Appendix A of the Plan; and

WHEREAS, Section 5.5(f) of the Plan provides that the Committee will review all calculations of Performance Incentive Awards, make any changes it deems appropriate, and submit its recommendation to the Board for approval; and

WHEREAS, the Compensation Committee has reviewed the Performance Incentive Awards for all Participants who have met or exceeded their performance benchmarks for the 2008/2009 Performance Period and wishes to document approval of such Performance Incentive Awards and recommend that the Board approve the same.

NOW, THEREFORE, be it:

RESOLVED, that the Performance Incentive Awards for all Participants (excluding the CEO) for the 2008/2009 Performance Period in the total aggregate amount of \$2,802,558 are hereby approved, subject to further approval of the UTIMCO Board.

Mr. Nye offered words of appreciation to the Committee for their time and efforts, and to the Staff for their approach and positive attitude in handling a difficult situation.

There being no further business to come before the Committee, the meeting was adjourned at approximately 10:17 a.m.

Secretary: Joan Moeller
Joan Moeller

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

Date: 4-15-10