

**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 July 5, 2012, 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, R. Steven Hicks, 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:

R. Steven Hicks, Chairman
Kyle Bass
Ardon E. Moore
James P. Wilson

thus constituting a majority and quorum of the Committee. Employees of the Corporation attending the meeting were Bruce Zimmerman, CEO and Chief Investment Officer; Joan Moeller, Secretary and Treasurer; Cissie Gonzalez, internal General Counsel and Chief Compliance Officer; and other staff members. Other attendees were Jerry Turner of Andrews Kurth LLP and Nanci Hibschan of Mercer. Mr. Hicks called the meeting to order at 11:32 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 and approval of the minutes of the Compensation Committee meeting held on May 24, 2012. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the minutes of the Meeting of the Compensation Committee of the Board of Directors held on May 24, 2012, be, and are hereby, approved.

Executive Session

Mr. Hicks announced, at 11:33 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. This Executive Session meeting of the Committee is authorized by *Texas Government Code* Section 551.074 (Personnel Matters). The date is July 5, 2012, and the time is now 11:33 a.m." Ms. Gonzalez, Ms. Moeller, and other staff members left the meeting at this time. Mr. Zimmerman left the meeting during discussion regarding his compensation matters.

Open Session

The Committee reconvened in open session and Mr. Hicks 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 date is July 5, 2012, and the time is now 12:42 p.m. During the Executive Session, the Committee deliberated individual personnel compensation matters but no action was taken nor decisions made, and no vote was called for or had by the Committee in Executive Session."

CEO's Qualitative Performance Goals

Mr. Zimmerman presented his goals to the Committee for discussion. After discussion, Mr. Hicks requested Committee approval of the Corporation's CEO's qualitative performance goals. He recommended that the Committee approve the Corporation's CEO's goals as written and reviewed by the Committee. 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 Compensation Committee (the "Committee") of the Board of Directors of UTIMCO (the "Board") will approve the Performance Goals for each Participant (other than for the CEO) each Performance Period; and

WHEREAS, Section 5.4(c) of the Plan provides that the Board will determine the Performance Goals of the CEO for each Performance Period; and

WHEREAS, the Committee has reviewed and approves the CEO's Qualitative Performance Goals for the 2012-2013 Performance Period, as prepared by the CEO and set forth in the document presented to the Committee.

NOW, THEREFORE, be it:

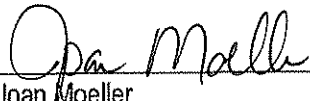
RESOLVED, that the Committee hereby recommends to the Board that the Board approve the Qualitative Performance Goals for the CEO for the 2012-2013 Performance Period, as set forth in the document presented to the Committee.

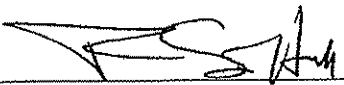
Compensation Program

Mr. Hicks asked to Mr. Zimmerman to discuss the proposed amendments to the UTIMCO Compensation Program (the "Plan"). Mr. Zimmerman stated that no action was being requested and explained that the proposed changes, if approved by the Committee at a later date, would also require the Corporation's Board and the UT System Board of Regents' approval. He summarized the modifications, which included changing the Performance Period to coincide with the Corporation's fiscal year and authorization for the Board to adjust a Participant's Performance Incentive Award up or down if the transition to coincide with the Corporation's fiscal year unduly benefits or harms a Plan Participant. He discussed the addition of a retirement provision to include retirement vesting for Plan Participants based on the Rule of 75. Mr. Zimmerman also discussed the proposed changes to the entity performance measurement standards of the Total Endowment Assets and the ITF, which will be changed from 85%/15% to 80%/20%, and the addition of language to provide that the cost of and any benefit related to Derivative Investments of the type described in Derivative Investment Policy Exhibit B, Delegated Derivative Investment #3 (purchase options)

will be excluded from the measurement of Entity Performance. Mr. Zimmerman answered the Committee Members' questions.

There being no further business to come before the Committee, the meeting was adjourned at approximately 1:04 p.m.

Secretary: 
Joan Moeller

Approved: 
R. Steven Hicks, Chairman of the
Compensation Committee
of The University of Texas
Investment Management Company

Date: July 12, 2012