

**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 11, 2012, 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

Committee Member Ardon E. Moore joined the meeting by means of conference telephone, enabling all persons participating in the meeting to hear each other. Also attending was Paul Foster, Chairman of the Board, thus constituting a majority and quorum of the Committee and the Board. Director Printice Gary and Regent Wallace Hall of the Board of Regents of The University of Texas System joined the meeting during the Executive Session 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 and Bob Jewell of Andrews Kurth LLP, Nanci Hilschman of Mercer and Anthony de Bruyn of The University of Texas System Administration. Mr. Hicks called the meeting to order at 8:07 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 July 5, 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 July 5, 2012, be, and are hereby, approved.

**Executive Session**

Mr. Hicks announced, at 8:08 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 11, 2012, and the time is now 8:08 a.m." With the exception of Ms. Hilschman and Messrs. Zimmerman, Turner, and Jewell, all staff members and other attendees 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 11, 2012, and the time is now 8:47 a.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."

### **Base Salaries for the Corporation's Officers and other UTIMCO Compensation Program Participants for 2012-2013 Fiscal Year**

Mr. Hicks asked the Committee to approve recommendations for base salaries for all UTIMCO officers and UTIMCO Compensation Program Participants, except the CEO's, for the 2012-2013 fiscal year. Upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the base salaries of the Corporation's Officers' and other UTIMCO Compensation Program Participants' (except that of the CEO) for the Fiscal Year 2012-2013 in the total amount of \$4,962,000 as presented by the CEO be, and are hereby, approved.

### **Corporation's CEO's Base Salary**

Mr. Hicks asked the Committee to recommend for approval by the Board the proposed base salary for the Corporation's CEO for the 2012-2013 fiscal year as discussed during the executive session.

RESOLVED, that the Committee hereby recommends that the Board of Directors of UTIMCO approve the Base Salary of the Corporation's CEO for the Fiscal Year 2012-2013 in the amount of \$600,000.

### **Compensation Program**

Mr. Hicks proposed amendments to the UTIMCO Compensation Program, amended and restated July 1, 2009 (the "Plan"). Mr. Zimmerman summarized the proposed changes to the Plan that incorporated recommendations previously discussed with the Committee during prior meetings held in January, May and July. The Committee determined that Staff's recommended increase in maximum incentive award opportunities for certain Plan Participants in Table 1 of Appendix C should be phased-in over two years rather than as recommended by Staff and directed Staff to make the change to Plan document. Mr. Zimmerman answered the Committee Members' questions. Upon motion duly made and seconded, the following resolution was unanimously adopted:

WHEREAS, Section 7.2 of the UTIMCO Compensation Program (the "Plan") provides that UTIMCO, by action of its Board of Directors (the "Board"), has the right in its discretion to amend the Plan or any portion thereof from time to time; and

WHEREAS, the Compensation Committee of the Board (the "Committee") has reviewed certain proposed amendments to the Plan incorporated into an Amended and Restated Plan, in the form previously provided to the Committee; and

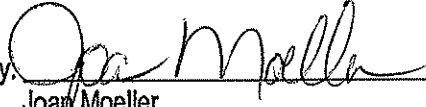
WHEREAS, the Committee has determined that the amendment to Table 1 in Appendix C increasing the maximum incentive award opportunity for certain Plan Participants should be subject to a two-year phase in and has directed staff to make the necessary changes to the Plan; and

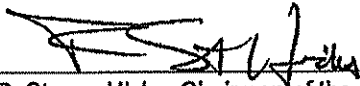
WHEREAS, subject to incorporating the change to Table 1 in Appendix C, the Committee approves such amendments and has determined to recommend them to the Board;

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.

There being no further business to come before the Committee, the meeting was adjourned at approximately 8:50 a.m.

Secretary:   
Joan Moeller

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

Date: 10-15-12