

MINUTES OF THE MEETING
OF THE COMPENSATION COMMITTEE OF
THE UNIVERSITY OF TEXAS INVESTMENT MANAGEMENT COMPANY

A meeting of the Compensation Committee (the "Committee") of The University of Texas Investment Management Company (the "Corporation") convened in open session on November 18, 2014, at the offices of the Corporation, Suite 2800, 401 Congress Avenue, Austin, Texas, said meeting having been called by the Committee Chair, H. Lee S. Hobson, 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:

H. Lee S. Hobson, Chair
Kyle Bass
Jeffery D. Hildebrand
Ardon E. Moore

Morris Foster, Chairman of the Board, also attended the meeting thus constituting a majority and quorum of the Committee and Board. Committee Chair ("Chairman") Hobson called the meeting to order at 9:30 a.m. 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 Cecilia Gonzalez, internal General Counsel and Chief Compliance Officer and other staff members. Other attendees were Jerry Turner of Andrews Kurth LLP; and Keith Brown of the McCombs School of Business at UT Austin. Copies of materials supporting the Committee meeting agenda were previously furnished to each Committee member.

Executive Session

Chairman Hobson announced, at 9:31 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 related to Performance Incentive Awards for UTIMCO Compensation Program Participants for the Performance Period ended August 31, 2014. This Executive Session meeting of the Committee is authorized by *Texas Government Code* Section 551.074 (Personnel Matters). The date is November 18, 2014, and the time is now 9:31 a.m." With the exception of Mr. Turner and Mr. Zimmerman, all other staff members left the meeting. Mr. Zimmerman left the meeting during discussion regarding his compensation matters.

Open Session

The Committee reconvened in open session and Chairman Hobson 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 November 18, 2014, and the time is now 10:05 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."

Performance Incentive Awards for UTIMCO Compensation Program Participants for the Performance Period ended August 31, 2014

Chairman Hobson asked the Committee to recommend Performance Incentive Awards for UTIMCO Compensation Program (the "Plan") Participants, including the CEO, for the Performance Period ended August 31, 2014. Upon motion duly made and seconded the following resolutions were 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 2013/2014 Performance Period in the total amount of \$1,694,155 is hereby approved, subject to further approval of the UTIMCO Board and be it

FURTHER RESOLVED, that of the CEO's \$1,694,155 Performance Incentive Award for the 2013/2014 Performance Period, 50% (\$847,077.50) will be deferred pursuant to the Plan.

And,

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 (excluding the CEO) 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 2013/2014 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 2013/2014 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 2013/2014 Performance Period in the total aggregate amount of \$7,339,132 is hereby approved, subject to further approval of the UTIMCO Board and be it

FURTHER RESOLVED, that of the Performance Incentive Awards for all Participants (excluding the CEO), 24% (\$1,753,230) will be deferred pursuant to the Plan.

Chairman Hobson noted that the Committee would continue to evaluate the Plan to make sure it was deemed appropriate for incenting and motivating Staff.

Qualitative Performance Goals for a Participant of the UTIMCO Compensation Program for the Performance Period ending August 31, 2015

At its September 26, 2014 meeting, the Committee approved the Designation of Employees in Eligible Positions in the Plan for the 2014/2015 Performance Period and approved the Qualitative Performance

Goals of the Participants. A newly hired employee, Billy Prather, was designated as an Employee in an Eligible Position but his Qualitative Performance Goals were not finalized in time for the September 26, 2014 meeting. Chairman Hobson recommended to the Committee approval of Mr. Zimmerman's request to approve Mr. Prather's Qualitative Performance Goals as presented in Executive Session. 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 will approve the Performance Goals for each Participant (other than for the CEO) for each Performance Period; and

WHEREAS, the Committee has reviewed the Qualitative Performance Goals for Billy Prather for the 2014/2015 Performance Period as set forth in the documents presented to the Committee.

NOW, THEREFORE, be it:

RESOLVED, that the Committee hereby approves the Qualitative Performance Goals for Billy Prather, effective September 15, 2014, as set forth in the documents presented to the Committee.

Designation of Employee in Eligible Position as a Participant in the UTIMCO Compensation Program for the Performance Period ending August 31, 2015

As previously mentioned, the Committee approved the Designation of Employees in Eligible Positions in the Plan for the 2014/2015 Performance Period at its meeting held on September 26, 2014. Chairman Hobson recommended Committee approval of Mr. Zimmerman's request that Richard Rincon, a new employee, be designated in the Eligible Position of Senior Associate – Investments in the Plan effective November 10, 2014, for the 2014/2015 Performance Period. Upon motion duly made and seconded the following resolution was unanimously adopted:

WHEREAS, Section 5.3(a) of the UTIMCO Compensation Program (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, Eligible Positions are designated and included in Appendix C, Table 1 of the Plan, which will be revised and updated as necessary and approved by the Committee and Board at future meetings; and

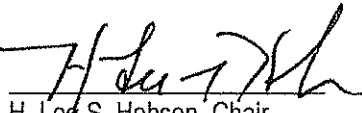
WHEREAS, the Compensation Committee approves the designation of Richard Rincon (Senior Associate – Investments) as a Participant of the Plan for the Performance Period ended August 31, 2015.

NOW, THEREFORE, be it:

RESOLVED, that the Committee hereby recommends to the UTIMCO Board that Richard Rincon (Senior Associate – Investments) be designated by the UTIMCO Board as a "Participant" in the Plan for the Performance Period ended August 31, 2015, effective as of November 10, 2014.

There being no further business to come before the Committee, the meeting was adjourned at approximately 10:08 a.m.

Secretary: 
Joan Moeller

Approved: 
H. Lee S. Hobson, Chair
Compensation Committee of
The University of Texas Investment Management Company

Date: APR 13, 2015