

**MINUTES OF MEETING  
OF THE COMPENSATION COMMITTEE OF THE  
BOARD OF DIRECTORS 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 **February 1, 2017**, 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, 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  
Ray Nixon  
Ray Rothrock

thus constituting a majority and quorum of the Committee. Employees of the Corporation attending the meeting were Mark Warner, Interim CEO and Chief Investment Officer; Joan Moeller, Treasurer and Secretary; Cissie Gonzalez, Corporate Counsel and Chief Compliance Officer, and other employees. Other attendees were Allen Hah of The University of Texas System ("UT System") Administration; and Jerry Turner and Bob Jewell of Andrews Kurth Kenyon LLP. Committee Chair ("Chairman") Hobson called the meeting to order at 2:05 p.m. Copies of materials supporting the Committee meeting agenda were previously furnished to each Committee member.

**Approval of Minutes**

The first matter to come before the Committee was the approval of the minutes of the Compensation Committee meetings held on November 17, 2016, November 28, 2016, and December 1, 2016. Upon motion duly made and seconded, the following resolution was unanimously adopted by the Committee:

RESOLVED, that the minutes of the Meetings of the Compensation Committee of the Board of Directors held on November 17, 2016, November 28, 2016 and December 1, 2016, be, and are hereby, approved.

**Executive Session**

Chairman Hobson announced 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 February 1, 2017, and the time is now 2:07 p.m." With the exception

of Mr. Warner, Ms. Moeller, Mr. Turner and Mr. Jewell, all employees left the meeting. Director Kyle Bass, Mr. Warner, and Ms. Moeller left during the executive session.

### 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 February 1, 2017, and the time is now 2:57 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."

### Designation of Employees in Eligible Positions as Participants in the UTIMCO Compensation Program and Participants' Qualitative Performance Goals for the Performance Period ending August 31, 2017

Chairman Hobson recommended Committee approval of the designation of employees in Eligible Positions as Participants in the Plan for the Performance Period ending August 31, 2017, subject to further approval by the Board, and the approval of the qualitative performance goals for the new Participants. 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 Will Mirshak (Senior Associate – Investments), James Pappas (Senior Analyst – Investments), Andres Delgado (Analyst – Investments), and James Ricker (Analyst – Investments) as Participants in the Plan for the Performance Period ended August 31, 2017.

NOW, THEREFORE, be it:

RESOLVED, that the Committee hereby recommends to the UTIMCO Board that Will Mirshak (Senior Associate – Investments), James Pappas (Senior Analyst – Investments), Andres Delgado (Analyst – Investments), and James Ricker (Analyst – Investments) be designated by the UTIMCO Board as "Participants" in the Plan for the Performance Period ended August 31, 2017, effective as of January 23, 2017, December 30, 2016, January 17, 2017, and February 21, 2017, respectively.

And,

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 Will Mirshak, James Pappas, Andres Delgado and James Ricker for the 2016/2017 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 Will Mirshak, James Pappas, Andres Delgado and James Ricker, effective January 23, 2017, December 30, 2016, January 17, 2017, and February 21, 2017 respectively, as set forth in the documents presented to the Committee.

**Appendix B of UTIMCO Compensation Program (UTIMCO Peer Group), effective September 1, 2016**

Chairman Hobson recommended Committee approval of the Peer Group for the UTIMCO Compensation Program for the Performance Period beginning September 1, 2016 and ending August 31, 2017, subject to further approval by the Board. Upon motion duly made and seconded the following resolution was unanimously adopted:

WHEREAS, Section 8.14. of the UTIMCO Compensation Program (the "Plan") provides that the "Peer Group" will be updated from time to time as deemed appropriate by the Board, and Appendix B (UTIMCO Peer Group) will be amended accordingly; and

WHEREAS, Section 7.2. of the Plan provides that the Board has the right to amend the Plan or any portion thereof from time to time; and

WHEREAS, the Committee has reviewed the proposed Appendix B and it conforms to the updated Peer Group as defined in the Plan.

NOW, THEREFORE, be it

RESOLVED, the updated and amended Appendix B (UTIMCO Peer Group), a copy of which is attached hereto, is hereby adopted and approved as part of the Plan to replace the current Appendix B, effective as of September 1, 2016, subject to Board approval.

**Amendments to Appendix C of the UTIMCO Compensation Program, effective September 1, 2016**

Chairman Hobson recommended Committee approval of the revised and updated Appendix C, Table 1 of the UTIMCO Compensation Program, with an effective date of September 1, 2016, subject to further approval by the Board. 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 Plan requires Table 1 to be revised, as necessary, for subsequent Performance Periods to set forth any changes or additions to the Eligible Positions, the weightings for the Eligible Positions, the Incentive Award Opportunities, and any Applicable Deferral Percentage for each Eligible Position, for that Performance Period as soon as administratively practicable after confirmation of such Eligible Positions by the Board for such Performance Period and to be attached as Appendix C to the Plan; and

WHEREAS, the Committee has reviewed the updated and amended Table 1, and approves such amendments, and has determined to recommend them to the Board.

NOW, THEREFORE, be it:

RESOLVED, that the updated and amended Table 1, a copy of which is attached hereto, is hereby adopted and approved to replace the current Appendix C, Table 1 effective as of September 1, 2016, subject to Board approval.

**Selection of UTIMCO Compensation Consultant**

Chairman Hobson deferred action on the approval of the selection of the UTIMCO Compensation Consultant.

**Adjourn**

There being no further business to come before the Committee, the meeting was adjourned at approximately 3:14 p.m.

Secretary: Joan Moeller  
Joan Moeller

Approved: Ray A. Rothrock Date: 12/19/17  
Acting Chair  
Compensation Committee of the Board of Directors of  
The University of Texas/Texas A&M Investment Management Company

## Appendix B

### UTIMCO Peer Group

- Brown University
- Columbia University
- Cornell University
- Dartmouth College
- Duke University
- Emory University
- Harvard University
- John Hopkins University
- Massachusetts Institute of Technology
- New York University
- Northwestern University
- Princeton University
- Rice University
- Stanford University
- UNC Management Company
- University of California
- University of Chicago
- University of Michigan
- University of Notre Dame
- University of Pennsylvania
- University of Southern California
- University of Virginia Investment Management Company
- Vanderbilt University
- Washington University in St. Louis
- Yale University

Source: UTIMCO Staff. Represents endowment funds (excluding the Total Endowment Assets) with more than 10 full-time employee positions, allocations to alternative assets in excess of 40%, and with assets greater than \$2.5 billion, all to be determined as of the last day of each year ended June 2014, 2015, 2016.

**Appendix C, Table 1**  
**Eligible Positions, Weightings, Incentive Award Opportunities, and Percentage of Award Deferred for each Eligible Position**  
**(for the Performance Periods Beginning After August 31, 2016)**

Eligible Position	Weighting		Incentive Award Opportunity (% of Salary)				Percentage of Award Deferred
	Entity	Qualitative (Individual)	< Threshold	Threshold	Target	Maximum	
<i>Investment Professionals</i>							
CEO & Chief Investment Officer	80%	20%	0%	0%	200%	450%	50%
Senior Managing Director - Investments	70%	30%	0%	0%	120%	300%	45%
Managing Director - Investments	65%	35%	0%	0%	100%	250%	40%
Managing Director - Fixed Income	65%	35%	0%	0%	80%	200%	40%
Managing Director - Risk Management	65%	35%	0%	0%	70%	135%	40%
Senior Director - Investments	60%	40%	0%	0%	70%	185%	35%
Director - Investments	50%	50%	0%	0%	65%	175%	30%
Director - Risk Management	50%	50%	0%	0%	35%	80%	30%
Senior Associate - Investments	40%	60%	0%	0%	60%	155%	20%
Senior Associate - Risk Management	40%	60%	0%	0%	45%	140%	20%
Associate - Investments	35%	65%	0%	0%	50%	145%	15%
Associate - Risk Management	35%	65%	0%	0%	35%	120%	15%
Senior Analyst - Investments	30%	70%	0%	0%	40%	110%	0%
Analyst - Investments	20%	80%	0%	0%	30%	75%	0%
Analyst - Risk Management	20%	80%	0%	0%	25%	75%	0%
Senior Investment Counsel	50%	50%	0%	0%	40%	80%	25%
<i>Support and Control Professionals</i>							
Senior Managing Director	20%	80%	0%	0%	50%	90%	40%
Chief Technology Officer	20%	80%	0%	0%	30%	70%	30%
Corporate Counsel & Chief Compliance Officer	0%	100%	0%	0%	30%	70%	30%
Senior Manager	20%	80%	0%	0%	30%	60%	25%
Manager	20%	80%	0%	0%	30%	60%	25%
Senior Financial Analyst	20%	80%	0%	0%	15%	35%	20%
Mgr, Infrastructure and CISO	20%	80%	0%	0%	25%	50%	20%
Mgr, Development	20%	80%	0%	0%	25%	50%	20%
Business Analyst and Document System Manager	20%	80%	0%	0%	25%	50%	20%