



BOARD OF DIRECTORS

RESOLUTION

FIXING THE PRESIDENT'S SALARY TO LEVEL V OF THE EXECUTIVE SCHEDULE

[Resolution #2003-012]

WHEREAS, section 1005(d) of the LSC Act provides that "officers and employees of the Corporation shall be compensated at rates determined by the Board, but not in excess of the rate of level V of the Executive Schedule specified in section 5316 of title 5," 42 U.S.C. § 2996d(d), and

WHEREAS, the Board has determined that the President of the Corporation should be compensated at a level equal to the highest pay allowable in level V of the Executive Schedule for the Federal Government; and

WHEREAS, the Board has determined that the President's compensation should automatically change with any change in highest pay allowable in level V of the Executive Schedule;

NOW, THEREFORE, BE IT RESOLVED that the compensation for the President of the Corporation shall change automatically to match any change to the highest pay allowable in level V of the Executive Schedule for the Federal Government; and

BE IT FURTHER RESOLVED that such compensation change shall be effective as of the date of the effective date of the changes in level V regardless of the date that the Corporation actually implements said changes; and

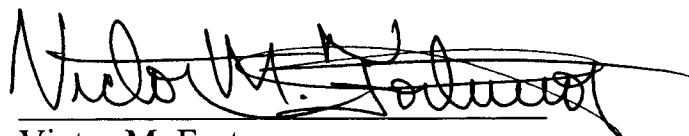
BE IT FURTHER RESOLVED that the management of the Corporation shall be empowered take any steps reasonable and necessary to implement this resolution.

Adopted by the Board of Directors

On September 15, 2003



Frank B. Strickland, *Chair*



Victor M. Fortuno

*Vice President for Legal Affairs,
General Counsel & Corporate Secretary*