
**MINUTES OF A MEETING OF
THE COMPENSATION COMMITTEE OF
THE MEMBERS OF THE HIGHER EDUCATION LOAN AUTHORITY
OF THE STATE OF MISSOURI
ON AUGUST 20, 2007**

The Compensation Committee of the Higher Education Loan Authority of the State of Missouri, a public instrumentality and body politic and corporate under the laws of the State of Missouri (the "Authority"), held a meeting on Friday, August 20, 2007 at 10:00 a.m. at the office of the Authority, located at 633 Spirit Drive in Chesterfield, Missouri. Proper notice of the meeting was forwarded to the State for publication, mailed and otherwise provided to the Compensation Committee (the "Committee"), posted at the office of the Authority and on the Authority's website in advance of and during the meeting and provided to certain other individuals. On a roll call of the meeting, the following members of the Committee were found to be present in person unless otherwise stated:

Present

Dr. Robert H. Spence
Mr. Gregory Upchurch
Mr. Randy L. Etter

Absent

None

A quorum of the members of the Committee was present for the purposes of conducting business. Present in person and representing the staff of the Authority were Mr. Raymond H. Bayer, Jr., Executive Director, Chief Executive Officer and Assistant Secretary; Mr. Scott D. Giles, Director of Finance/Chief Financial Officer; Mr. William C. Shaffner, Director of Business Development; Ms. Mary J. Stewart, Director of Loan Origination and Servicing; Mr. Quentin C. Wilson, Associate Director of Access and Success; Ms. Susan B. Crump, Assistant Director of Administration; Ms. Jennifer Farmer, Assistant Director of Loan Servicing; Mr. Harry W. Lohse, Assistant Director of Information Systems and Information Security Officer; Dr. James L. Matchefts, General Counsel; Mr. Daniel DeBoer, Human Resources Coordinator; Ms. Sonya Vann, Executive Assistant; and Ms. Alison Carter, Paralegal. Also present were Messrs. Michael F. Lause and Paul G. Griesemer of Thompson Coburn LLP, Special Counsel to the Authority; Dr. Lynn Walker of Boundary Management Consulting; Mr. Doug Coombs of A.G. Edwards; and Mr. Dustin Allison of the Attorney General's Office. Ms. Carter of the Authority staff assisted Mr. Bayer in taking minutes of the meeting. Mr. Etter acted as Chair of the meeting and Mr. Bayer acted as Assistant Secretary.

Call to Order and Pension Plan Item

The Chair called the meeting to order at approximately 10:00 a.m. and asked if there were any public comments. There being none, he stated that due to time constraints, the agenda would be reordered and the first item would be the discussion, review and possible vote on a recommendation to the Members regarding the pension plan and related possible restatement.

Mr. Griesemer reviewed the history and formation of the pension plan and the changes contained in the 2002 Pension Plan Restatement (the "2002 Restatement"). He stated that the resolution before the Committee would ratify only the 2002 Restatement, noting that the Supplement No. 1 to the Pension Plan was included in the meeting materials in error. Mr. Griesemer stated that the Authority has been operating under the pension plan in accordance with the provisions of the 2002 Restatement. The Committee discussed the proposed resolution and suggested that the proposed resolution be amended to explicitly state that the Supplement No. 1 was not included in the ratification. Dr. Spence moved and Mr. Upchurch seconded a motion to recommend the adoption of the "Resolution of the Higher Education Loan Authority of the State of Missouri Relative to the Ratification of the 2002 Pension Plan Restatement," as amended, which was unanimously approved by voice-vote.

Approval of Minutes

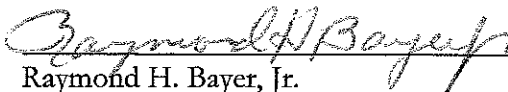
The Chair stated that the next item on the agenda was the discussion, consideration and possible vote on approval of minutes of the Committee meeting of June 7, 2007. He asked if there were any corrections or discussion. There being none, he called for a motion to approve the minutes. Mr. Upchurch moved and Dr. Spence seconded a motion to approve the June 7, 2007 minutes as drafted and presented which was unanimously approved by voice-vote.

Human Resources Presentation, Recess and Adjournment

The Chair stated that the next item on the agenda was the discussion, review and possible vote on a recommendation to Authority Members regarding the Human Resources update. The Committee discussed turnover, evaluations, and the elimination of retroactive pay for staff. Mr. Upchurch moved and Dr. Spence seconded a motion to recess the Committee meeting in order to begin the Authority meeting, which was unanimously approved by voice-vote. The Committee meeting recessed at approximately 10:25 a.m.

The Committee meeting reconvened at the conclusion of the Authority meeting at approximately 1:40 p.m. Dr. Spence moved and Mr. Upchurch seconded a motion to adjourn the Committee meeting which was unanimously approved by voice-vote. The meeting adjourned at approximately 1:45 p.m.

Approved:


Raymond H. Bayer, Jr.
Assistant Secretary