

**COMPLIANCE COMMITTEE  
OF SALLIE MAE BANK  
CHARTER**

**PURPOSE**

The Compliance Committee (the “Committee”) has been appointed by the Board of Directors (the “Board”) of Sallie Mae Bank (the “Bank”), a Utah industrial bank. The Board delegates to the Committee the authority and responsibilities described herein to assist the Board in fulfilling its oversight responsibilities relating to maintaining and enhancing a strong and sustainable compliance culture and compliance management system, approving sound policies and objectives and effectively supervising all of the Bank’s compliance related activities, and ensuring the Bank has a qualified Chief Compliance Officer with sufficient authority and resources to administer an effective compliance management system.

The exercise and performance by the Committee of its duties and responsibilities shall not diminish the responsibility of the entire Board to provide oversight of the Bank’s compliance management system and to ensure compliance with applicable provisions of any orders, memoranda of understanding, written agreements, other agreements, supervisory letters or similar actions of any banking or consumer regulator (“Orders”).

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct compliance assessments or reviews. That is the responsibility of management, and particularly the Chief Compliance Officer and the Compliance function. Nor is it the duty of the Committee to conduct investigations or to otherwise assure compliance with laws and regulations that apply to the Bank.

**COMMITTEE MEMBERSHIP**

The Committee shall consist of at least three members of the Board, all of whom shall meet the independence, experience and expertise requirements of the Board’s Governance Guidelines and the Federal Deposit Insurance Corporation Improvement Act of 1991.

The Chair and members of the Committee shall be appointed by the Board and shall serve until the applicable member’s successor is duly elected and qualified or until such member’s earlier resignation or removal by the Board.

**ANNUAL CONFIRMATION AND DETERMINATIONS**

At least annually, the Bank Board shall each confirm each Committee member and the Committee’s membership collectively meets the qualifications and requirements for membership

set forth in this charter. The results of and basis for these determinations will be documented in the minutes of the meetings at which the determinations are made.

## **MEETINGS**

The Committee shall meet at least quarterly and will report regularly to the Bank Board. The Chair or at least two other members of the Committee shall have the authority to call a meeting.

A majority of the members of the Committee shall constitute a quorum for the transaction of business.

All determinations of the Committee shall be made by a majority of its members present at a duly convened meeting. In lieu of a meeting, the Committee may act by unanimous written consent. The Committee may request any person (including any other director, officer or employee of the Bank or a Bank affiliate) to attend a meeting of the Committee or to meet with any members of, or advisor to, the Committee. The Committee shall periodically meet in executive sessions without members of the Bank's management present.

The Chair shall preside at all meetings of the Committee. The agendas for the meetings shall be set under the direction of the Chair. In the event the Chair is unable to attend a duly convened meeting, the Chair shall select a member of the Committee to serve as Acting Chair of the meeting.

The Bank's Secretary or an Assistant Secretary (or the designee of the Secretary) will keep minutes of all of the Committee's meetings and shall retain such minutes with the Bank's corporate records. The minutes shall be circulated in draft form to all Committee members and shall be considered for approval by the Committee at a subsequent meeting. The Chair shall report the Committee's actions, recommendations or findings to the Board promptly following a Committee meeting.

## **COMMITTEE AUTHORITY AND RESPONSIBILITIES**

In carrying out the Purpose set forth above, the Committee shall have the following authority and responsibilities:

### **General Compliance Oversight Responsibilities**

- (1) To receive and review, and effectively challenge, any reports provided to the Committee as necessary or required by regulation or law.
- (2) To provide oversight of the continuing maintenance and enhancement of a strong and sustainable compliance culture, including initiatives to instill a culture in which:
  - There is strong emphasis on strict compliance with the spirit and letter of laws and regulations, as well as applicable policies and procedures;

- Responsibility for awareness and implementation of effective oversight and monitoring of compliance risk is understood and managed;
  - Regular and appropriate compliance training of all staff is provided;
  - Regular and appropriate communication regarding compliance standards is provided;
  - Accountability is expected and accepted; and
  - Compliance programs that reflect best practices are developed and re-evaluated on a regular basis and implemented in the ordinary course of business.
- (3) To review and, as applicable, approve the following areas:
- Reports of the Chief Compliance Officer;
  - Compliance program audit reports or summaries thereof; and
  - Board-level Compliance program policies as defined in the Enterprise Policy and Procedure Management Policy. The Enterprise Policy and Procedure Management Policy is reviewed annually by the full Board.
- (4) To report its discussions to the Board at each regularly scheduled Board meeting.
- (5) To ensure resources, expenses and qualifications and experience of senior management of the compliance function are commensurate with the level of complexity of the Bank's operations to maintain an adequate compliance management system, as described in the FDIC's Compliance Examination Manual, Section II-2.1 to 2.4 and CFPB Compliance Management Review Examination Procedures, to generally ensure the Bank's compliance with all applicable state and federal consumer protection laws and implementing rules and regulations, regulatory guidance, and statements of policy ("Consumer Protection Laws").
- (6) To oversee the adequacy of all processing systems, including systems provided by any third parties, to maintain compliance with all Consumer Protection Laws.
- (7) To provide oversight of and monitor third-party compliance with applicable Consumer Protection Laws by third parties who provide relevant services to the Bank and provide input to the Risk Committee in order to assess overall third-party risk
- (8) To review and monitor the effectiveness of the Compliance function and the Bank's compliance management system, including testing and monitoring functions, and obtain assurances from senior management that the Compliance function, including testing and monitoring functions, is appropriately resourced, has appropriate standing within the Bank and is free from management or other restrictions.
- (9) To oversee and ensure proper and timely follow-up and resolution to audit and examination findings indicating the need for corrective action(s).
- (10) Provide oversight of the Bank's Community Reinvestment Act plan.

- (11) Provide oversight of the Bank's compliance with the Bank Secrecy Act and Anti-Money Laundering Policy of the Bank.
- (12) To perform any other duties or responsibilities expressly delegated to the Committee by the Board from time to time, and to consider and undertake such tasks or matters as the Board may request from time to time.
- (13) Review the appointment and performance of and succession planning for the Chief Compliance Officer and make recommendations to the Bank Board regarding the responsibilities, appointment or replacement of the Chief Compliance Officer.
- (14) To review and approve the powers and obligations included within the charter of the Bank's Management Compliance Committee, and to receive reports from and oversee the activities of the Bank's Management Compliance Committee.

## **RESOURCES AND REPORTING**

The Committee shall have authority to retain such outside counsel, experts and other advisors as the Committee may deem appropriate in its sole discretion to perform its duties and responsibilities. The Committee shall have sole authority to approve related fees and retention terms.

In performing their duties and responsibilities, Committee members are entitled to rely in good faith on information, opinions, reports or statements prepared or presented by persons and organizations from which the Committee receives information.

The Chair shall annually conduct a self-evaluation of the Committee's performance and effectiveness and report the results to the Board. The Committee shall have access to all information necessary or appropriate to carry out its responsibilities herein. The Committee shall review at least annually the adequacy of this Charter and recommend any proposed changes to the Board for approval.

## **DELEGATION OF AUTHORITY**

To the extent permitted by applicable law, rules or regulations, as appropriate, the Committee may form and delegate all or a portion of its authority to subcommittees comprised of one or more members of the Committee or members of the Bank's management. Each subcommittee shall have the full power and authority of the Committee as to matters delegated to it.