

NOMINATIONS, GOVERNANCE AND COMPENSATION COMMITTEE
SLM CORPORATION AND
SALLIE MAE BANK
CHARTER

PURPOSES

The Nominations, Governance and Compensation Committee (the “Committee”) has been appointed by the Board of Directors (the “Company Board”) of SLM Corporation, a Delaware corporation (the “Company”), and the Board of Directors (the “Bank Board”) of Sallie Mae Bank, a Utah industrial bank (the “Bank”; the Company and the Bank, hereinafter collectively “the Companies”; and the Company Board and Bank Board, collectively the “Boards”). The Boards respectively delegate to the Committee the authority and responsibilities described herein to assist the Boards in fulfilling their oversight responsibilities to investors and prudential regulators in the following areas:

A. Nominations & Governance:

Recommending to the Boards the approval of appropriate standards for the corporate governance of the Companies, the operations of the Boards and the qualifications and independence of directors and overseeing enforcement of such standards;

- (i) identifying individuals qualified to become Company and Bank Board members consistent with criteria identified by the Boards;
- (ii) leading the Boards and their committees in their annual performance assessments;
- (iii) reviewing the Companies’ management development and recommending to the Boards succession plans applicable to executive officers with a title of Senior Vice President or higher (“Executive Management”);
- (iv) reviewing and reporting to the Boards on matters of corporate governance and making recommendations thereon; and
- (v) fulfilling the other responsibilities set forth in this Charter.

B. Compensation:

- (i) recommending to the Board all compensation, benefits and other arrangements for the Companies’ Chief Executive Officer (the “CEO”),

and the non-employee members of the Boards, and approving the same as it relates to all other members of Executive Management determined by the Committee to be “officers” (“Executive Officers”) as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934 (the “Exchange Act”);

- (ii) overseeing the process by which the Companies’ incentive compensation plans for all employees are developed and satisfying itself that these plans appropriately balance risk and financial results and do not encourage excessive risk taking;
- (iii) reviewing and recommending to the Board the adoption of all incentive compensation and equity-based plans for which Company or Bank Board approval may be required by law or regulation and the NASDAQ listing rules;
- (iv) adopting and overseeing the Companies’ administration of all incentive compensation, severance, pension and other compensation and benefit plans and policies applicable to Executive Management and all equity-based plans;
- (v) overseeing the Companies’ administration of any employee health, welfare, benefit and retirement plans and programs; and
- (vi) fulfilling the other responsibilities set forth in this Charter.

COMMITTEE MEMBERSHIP

The Committee shall be comprised of at least three members of the Board, each of whom shall (i) meet the independence requirements of the Company’s Board Governance Guidelines and By-Laws, the Exchange Act, and the NASDAQ Listing Rules and (ii) qualify as “non-employee directors” for purposes of Rule 16b-3 under the Exchange Act.

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

ANNUAL CONFIRMATIONS AND DETERMINATIONS

At least annually, the Boards shall each confirm that each Committee member meets the qualifications for Committee 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 four times per year and will report regularly to the Boards.

Depending on the matters and decisions to be addressed at any meeting, the Chair and the Committee may elect to convene meetings solely in its capacity representing the Company, the Bank or, on behalf of both. 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 shall meet periodically with members of management, its independent compensation consultant or other advisors or counsel as deemed appropriate in separate executive sessions. The Committee may request any other person (including any other director of the Companies, any officer or employee of the Companies, or the Companies' outside counsel) to attend a meeting of the Committee or meet with any members of, or advisor to, the Committee. The Committee shall periodically meet in executive session without members of the Companies' 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 Company'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 Companies' 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 Boards promptly following a Committee meeting.

COMMITTEE AUTHORITY AND RESPONSIBILITIES

In carrying out the Purposes set forth above, the Committee will have the following authority and responsibilities:

Governance

- (1) Develop and periodically review and recommend to the Boards for approval a set of corporate governance principles, as well as policies and procedures relating to corporate governance matters and related party transactions.
- (2) Periodically review the certificate of incorporation and By-Laws of the Company and charter documents of the Bank and recommend amendments as appropriate to the Company Board and Bank Board.
- (3) Oversee the annual assessment of the performance of Boards and its committees.
- (4) Review any proposed changes to any committee charter and recommend changes to the Boards as appropriate.

- (5) Review and oversee the Companies' legislative priorities and lobbying activities, including related expenditures.
- (6) Recommend to the Boards the frequency of the Company's stockholders advisory vote on executive compensation.

Board Matters

- (7) Assist the Boards in establishing criteria for selecting director nominees.
- (8) Establish processes for director nominations and identify and recommend to the Boards nominees for election.
- (9) Review, on a continuing basis, the composition, diversity, operation, membership and leadership of the Boards and their committees.
- (10) Oversee orientation for new directors and continuing educational opportunities for directors.

Management Development, Succession Planning and Topical Updates

- (11) Consider and make recommendations to the Boards with respect to the succession process for the CEO and Executive Management.
- (12) Review audit reports regarding policies and expenses related to the Companies' Executive Management.

Executive and Board Compensation

- (13) Develop and adopt policies and procedures relating to compensation matters.
- (14) Review and approve corporate goals and objectives relevant to the compensation of the CEO and Executive Officers.
- (15) In consultation with the Board Chair (or Lead Independent Director of the Board, as applicable), evaluate annually the CEO's performance in light of the relevant goals and objectives, and communicate those results to the CEO and Boards.
- (16) Based on the evaluation of the CEO's performance, and after consultation with the independent directors of the Boards, determine the CEO's compensation, including annual salary, incentive compensation (including equity-based compensation) and certain other direct and indirect benefits and recommend such compensation to the Board for approval.
- (17) Review and approve annually salary, bonus, incentive and other compensation levels for all of Executive Officers of the Companies other than the CEO.
- (18) Review and approve terms of any employment agreement, new hire award or new hire payment with or to a current or proposed Executive Officer of the Companies.
- (19) Review and approve any severance, change of control or other termination agreement, award or payment transaction or arrangement (e.g. consulting arrangement) proposed to be made with or to a current, proposed, or past

Executive Officer.

- (20) Make all determinations in connection with executive compensation regarding tax deductions in excess of limitations under applicable regulations, including Section 162(m) of the Code.
- (21) Review and discuss annually with management the Compensation Discussion and Analysis (“CD&A”) to be included in the Company’s proxy statement, recommend to the Company Board the inclusion of the CD&A therein and prepare the Compensation Report required to be included therein.
- (22) Consider and make recommendations to the Boards with respect to compensation and benefits for independent members of the Boards.

Equity-Based and Other Compensation and Benefit Plans and Programs

- (23) Review and approve (or recommend to the Boards for approval as may be required by law, NASDAQ listing rules or the Code), the adoption of any incentive compensation plans, severance plans and other benefit plans, arrangements, and policies, including share ownership guidelines, applicable to Executive Management.
- (24) Review and approve (or recommend to the Board for approval as may be required by law or regulation, NASDAQ listing rules or the Code), the adoption of all equity-based plans of the Companies.
- (25) Provide risk oversight for the Companies’ administration of incentive compensation programs by reviewing the Companies’ Chief Risk Officer’s assessment of the effectiveness of the design and operation of the plans to (a) balance risk and financial results in a manner that does not encourage exposing the Companies’ to imprudent levels of risk, and (b) operate consistently with safety and soundness requirements applicable to the Company and the Bank. The Committee shall meet periodically with the Company’s Chief Risk Officer, but at least annually, to discuss the risk attributes of the Company’s incentive compensation programs and management’s assessment of the same.
- (26) Oversee the Companies’ administration of employee benefit plans of the Companies and their subsidiaries.

Oversight of Compensation Consultant and Outside Advisors

- (27) In its sole discretion, appoint, retain, evaluate, oversee, obtain advice from and, when appropriate, terminate, any advisor to be used to assist the Committee in the performance of its duties, but (except with respect to in-house legal counsel), only after taking into consideration factors relevant to the advisor’s independence from management specified in Exchange Act Rule 10c-1 and NASDAQ Listing Rule 5605(d)(3) or any successor provisions thereto. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any advisors retained by the Committee and shall have sole authority to approve the advisor’s fees and the other terms and conditions of the advisor’s retention. The

Companies shall provide for appropriate funding, as determined by the Committee, for payment of reasonable compensation for any advisors retained by the Committee.

RESOURCES AND REPORTING

The Committee shall have authority to retain such search firms, outside counsel, consultants, experts and other advisors as the Committee may deem appropriate in its sole discretion. 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 Committee shall annually conduct a self-evaluation of the Committee's performance and effectiveness and report the results to the Boards. The Committee shall have access to all information necessary or appropriate to carry out its responsibilities herein, including information regarding perquisites and other personal benefits provided to Executive Management. The Committee shall review at least annually the adequacy of this Charter and recommend any proposed changes to the Boards 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 Companies' management. Each subcommittee shall have the full power and authority of the Committee, as to matters delegated to it.