SLM CORP
Form DEF 14A
April 29, 2015
Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

Filed by the Registrant x Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e) (2))**

x Definitive Proxy Statement

¨ Definitive Additional Materials

¨ Soliciting Material Pursuant to Section 240.14a-12

SLM Corporation

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Table of Contents

300 Continental Drive

Newark, Delaware 19713

May 5, 2015

Dear Fellow Stockholders:

Please join us Thursday, June 25, 2015, at 11:00 a.m., Eastern Daylight Time, for the SLM Corporation (Sallie Mae) 2015 Annual Meeting of Stockholders (the Annual Meeting). The Annual Meeting will be held at our corporate headquarters located at 300 Continental Drive, Newark, Delaware 19713.

In 2014, we formed a publicly-traded company named Navient Corporation (Navient) to hold our education loan management, servicing and asset recovery businesses and distributed all of the common stock of Navient to our Stockholders. As a result, we are now a stand-alone consumer banking business operating under the Sallie Mae brand. We are grateful for the efforts of our executive management team and our employees for navigating us through this process and for helping to advance the transformation of Sallie Mae for continued long-term sustainable growth and value creation.

Details of the business to be conducted at the Annual Meeting are provided in the attached Notice of Annual Meeting and proxy statement. You are being asked to vote on a number of important matters. Your vote is important, regardless of the number of shares you own, and all holders of our common stock are cordially invited to attend the Annual Meeting in person. Whether or not you plan to attend the Annual Meeting, please vote at your earliest convenience by following the instructions in the Notice of Availability of Proxy Materials or the proxy card you received in the mail.

For over 40 years, we have made a difference in students and families lives, helping more than 31 million Americans pay for college.

Thank you for your continued support of Sallie Mae.

Sincerely,

/s/ Raymond J. Quinlan
Raymond J. Quinlan
Chairman of the Board of Directors and

Chief Executive Officer

Table of Contents

300 Continental Drive

Newark, Delaware 19713

May 5, 2015

NOTICE OF 2015 ANNUAL MEETING OF STOCKHOLDERS

To our Stockholders:

SLM Corporation (Sallie Mae or the Company) will hold its 2015 Annual Meeting of Stockholders (the Annual Meeting) as follows:

Date and Time:	Thursday, June 25, 2015, 11:00 a.m., Eastern Daylight Time
Place:	Sallie Mae s Corporate Headquarters 300 Continental Drive Newark, Delaware 19713
Items of Business:	(1) Elect twelve directors nominated by the Sallie Mae Board of Directors (Board of Directors), each for a one-year term, to serve until their successors have been duly elected and qualified; (2) Approve, on an advisory basis, Sallie Mae s executive compensation; (3) Ratify the appointment of KPMG LLP as Sallie Mae s independent registered public accounting firm for the year ending December 31, 2015; (4) Approve an amendment to the Amended and Restated By-Laws of SLM Corporation relating to proxy access; and (5) Transact such other business as may properly come before the Annual Meeting or any adjournment or postponement of the Annual Meeting.
Record Date:	Stockholders of record as of the close of business on April 27, 2015, will be entitled to notice of, and to vote at, the Annual Meeting or any adjournment or postponement of the Annual Meeting.

Table of Contents

Your participation in the Annual Meeting is important. Sallie Mae urges you to take the time to read carefully the proposals described in the proxy statement and vote your proxy at your earliest convenience. You may vote by telephone, Internet or, if you request that proxy materials be mailed to you, by completing and signing the proxy card enclosed with those materials and returning it in the envelope provided. If you wish to attend the meeting in person, you must bring evidence of your ownership as of April 27, 2015, or a valid proxy showing that you are representing a stockholder.

Thank you for your interest in Sallie Mae.

/s/ Laurent C. Lutz
Laurent C. Lutz
Executive Vice President, General Counsel and

Corporate Secretary

Important Notice Regarding the Availability of Proxy Materials For the Annual Meeting of Stockholders to be Held on June 25, 2015. The proxy statement and Sallie Mae s Annual Report on Form 10-K for the year ended December 31, 2014 (the 2014 Form 10-K) are available at http://www.salliemae.com/Investors/AnnualReports and http://materials.proxyvote.com. You may also obtain these materials at the Securities and Exchange Commission website at www.sec.gov or by contacting the Office of the Corporate Secretary at the Company s principal executive offices, located at 300 Continental Drive, Newark, Delaware 19713. Sallie Mae will provide a copy of the 2014 Form 10-K without charge to any stockholder upon written request.

Table of Contents

TABLE OF CONTENTS

Table of Contents

300 Continental Drive

Newark, Delaware 19713

PROXY STATEMENT

GENERAL INFORMATION

The Board of Directors of SLM Corporation (Sallie Mae, the Company, we, our or us) is furnishing this proxy statement to solicit proxie use at Sallie Mae s 2015 Annual Meeting of Stockholders (the Annual Meeting). A copy of the Notice of the Annual Meeting accompanies this proxy statement. This proxy statement is being sent or made available, as applicable, to our stockholders beginning on or about May 5, 2015.

QUESTIONS AND ANSWERS ABOUT THE ANNUAL MEETING AND VOTING

Who may vote? Only stockholders who owned shares of Sallie Mae s common stock, par value $.20 per share (Common Stock), at the close of business on April 27, 2015, the record date for the Annual Meeting, are entitled to notice of, and to vote at, the Annual Meeting. Sallie Mae s Common Stock is listed on the NASDAQ Global Select Market (NASDAQ) under the symbol SLM. On April 27, 2015, 425,684,479 shares of Common Stock were outstanding and eligible to be voted.

Why did I receive a Notice Regarding the Availability of Proxy Materials ? Sallie Mae is furnishing proxy materials to its stockholders primarily via the internet, instead of mailing printed copies of those materials to each stockholder. By doing so, Sallie Mae saves costs and reduces the environmental impact of the Annual Meeting. On May 5, 2015, Sallie Mae mailed a Notice of Availability of Proxy Materials (Notice of Availability) to the Company s stockholders. The Notice of Availability contains instructions on how to access Sallie Mae s proxy materials and vote online or vote by telephone. The Notice of Availability also contains a 16-digit control number that you will need to vote your shares. If you previously chose to receive Sallie Mae s proxy materials electronically, you will continue to receive access to these materials via an e-mail that will provide electronic links to these documents unless you elect otherwise.

How do I request paper copies of the proxy materials? You may request paper copies of the proxy materials for the Annual Meeting by following the instructions listed in the Notice of Availability, at www.proxyvote.com, by telephoning 1-800-579-1639, or by sending an e-mail to sendmaterial@proxyvote.com.

What is the difference between holding shares as a beneficial owner in street name and as a stockholder of record? If your shares are held in street name through a broker, bank, trustee or other nominee, you are considered the beneficial owner of shares held in street name. As the beneficial owner, you have the right to direct your broker, bank, trustee or other nominee how to vote your shares. Without your voting instructions, your broker, bank, trustee or other nominee may only vote your shares on routine matters. Routine matters **DO NOT** include Proposals 1, 2, and 4, but do include Proposal 3 (relating to the ratification of the independent registered public accounting firm). For non-routine matters, your shares will not be voted without your specific voting instructions. Accordingly, Sallie Mae encourages you to vote your shares.

If your shares are registered directly in your name with Sallie Mae s transfer agent, Computershare, you are considered to be a stockholder of record with respect to those shares. As a stockholder of record, you have the right to grant your voting proxy directly to Sallie Mae or to a third party, or to vote in person at the Annual Meeting.

Table of Contents

How do I vote? Sallie Mae encourages stockholders to vote in advance of the Annual Meeting, even if you plan to attend the Annual Meeting. You may vote in one of the following ways:

By Internet. You may vote electronically via the Internet at www.proxyvote.com. Votes submitted via the Internet must be received by 11:59 p.m., Eastern Daylight Time, on June 24, 2015. Please have your Notice of Availability or proxy card available when you log on.

By Telephone. If you wish to vote by telephone, you may call the toll-free telephone number on the Notice of Availability or your proxy card, which is available 24-hours a day, and follow the pre-recorded instructions. Please have your Notice of Availability or proxy card available when you call. If you hold your shares in street name, your broker, bank, trustee or other nominee may provide you additional instructions regarding voting your shares by telephone. Votes submitted telephonically must be received by 11:59 p.m., Eastern Daylight Time, on June 24, 2015.

In Person. If you hold shares directly in your name as a stockholder of record, you may either vote in person or be represented by another person at the Annual Meeting by executing a legal proxy designating that person as your proxy to vote your shares. If you hold your shares in street name, you must obtain a legal proxy from your broker, bank, trustee or other nominee and present it to the inspector of elections with your ballot to be able to vote at the Annual Meeting. To request a legal proxy, please follow the instructions at www.proxyvote.com.

By Mail. If you hold your shares in street name through a broker, bank, trustee or other nominee, to vote by mail you must request paper copies of the proxy materials. Once you receive your paper copies, you will need to mark, sign and date the voting instruction form and return it in the prepaid return envelope provided. Your voting instruction form must be received no later than the close of business on June 24, 2015. If you hold your shares directly in your name as a stockholder of record, to vote by mail you must request paper copies of the proxy materials. Once you receive your paper copies, you will need to mark, sign and date the proxy card and return it in the prepaid return envelope provided. Your proxy card must be received no later than the close of business on June 24, 2015.

What if I hold my shares in street name and I do not provide my broker, bank, trustee or other nominee with instructions about how to vote my shares? You may instruct your broker, bank, trustee or other nominee about how to vote your shares using the methods described above. If you do not provide voting instructions to the firm that holds your shares prior to the Annual Meeting, the firm has discretion to vote your shares with respect to Proposal 3 on the proxy card (relating to the ratification of the independent registered public accounting firm), which is considered a routine matter. However, the firm will not have discretion to vote your shares with respect to Proposals 1, 2, and 4 on the proxy card, as these are each considered to be a non-routine matter. You are encouraged to participate in the election of directors and vote on all of the proposals by returning your voting instructions to your broker, bank, trustee or other nominee.

How do I vote shares of Common Stock held in my 401(k) Plan? If you participate in Sallie Mae s 401(k) Plan, you may vote the number of shares equivalent to your interest, if any, as credited to your account on the record date. You will need to instruct the 401(k) Plan Trustee by telephone, internet or mail on how to vote your shares. Voting instructions must be received no later than the close of business on June 22, 2015. If you own shares through Sallie Mae s 401(k) Plan and do not provide voting instructions with respect to your plan shares, the Trustee will vote your plan shares in the same proportion as other plan shares have been voted.

How do proxies work? The Board of Directors is requesting your proxy. Giving your proxy means you authorize the persons named as proxies therein to vote your shares at the Annual Meeting in the manner you specify in your proxy (or to exercise their discretion as described herein). If you hold your shares as a record holder and sign and return a proxy card but do not specify how to vote on a proposal, the persons named as proxies will vote your shares in accordance with the Board of Directors recommendations. The Board of Directors has recommended that stockholders vote:

FOR the election of each of the director nominees named in Proposal 1;

FOR advisory approval of Sallie Mae s executive compensation set forth in Proposal 2;

2

Table of Contents

FOR ratification of the appointment of Sallie Mae s independent registered public accounting firm set forth in Proposal 3; and

FOR approval of an amendment to the Amended and Restated By-Laws of SLM Corporation (the By-Laws) relating to proxy access as set forth in Proposal 4.

In the absence of voting instructions to the contrary, shares of Common Stock represented by validly executed proxies will be voted in accordance with the foregoing recommendations. Sallie Mae does not know of any other matters to be presented at the Annual Meeting as of the date of this proxy statement.

Can I change my vote? Yes. If you hold your shares as a record holder, you may revoke your proxy or change your vote at any time prior to the final tallying of votes by:

Delivering a written notice of revocation to Sallie Mae s Corporate Secretary at the Office of the Corporate Secretary, 300 Continental Drive, Newark, Delaware 19713;

Submitting another timely vote via the Internet, by telephone or by mailing a new proxy (following the instructions listed under the *How do I vote?* section); or

Attending the Annual Meeting and voting in person.

If your shares are held in street name, contact your broker, bank, trustee or nominee for instructions on how to revoke or change your voting instructions.

What vote is necessary to approve each matter to be voted on at the Annual Meeting?

Proposal 1 Election of Directors. Sallie Mae s By-Laws (the By-Laws) provide the election of a director in an uncontested election will be by a majority of the votes cast with respect to a nominee at a meeting for the election of directors at which a quorum is present, with each share of Common Stock entitled to one vote for each nominee. Accordingly, a director nominee will be elected to the Board of Directors if the number of shares voted **FOR** the nominee exceeds the number of votes cast **AGAINST** the nominee s election. Abstentions and shares not voted on the matter, including broker non-votes, have no direct effect on the matter.

If any director nominee fails to receive a majority of the votes cast **FOR** his or her election, such nominee will automatically tender his or her resignation upon certification of the election results. Sallie Mae s Nominations, Governance, and Compensation Committee (the NGC Committee) will make a recommendation to the Sallie Mae Board of Directors on whether to accept or reject such nominee s resignation. The Sallie Mae Board of Directors will act on the NGC Committee s recommendation and publicly disclose its decision and the rationale behind it within 90 days from the date of certification of the election results.

Proposal 2 Advisory Approval of Sallie Mae s Executive Compensation. Advisory approval of Sallie Mae s executive compensation requires the affirmative vote of at least a majority of the stock represented and entitled to vote at the meeting, with each share of Common Stock entitled to one vote. Abstentions have the same effect as votes **AGAINST** the matter. Shares not voted on the matter, including broker non-votes, have no direct effect on the matter.

Proposal 3 Ratification of Appointment of KPMG LLP as Sallie Mae s Independent Registered Public Accounting Firm. The ratification of KPMG LLP s appointment as Sallie Mae s independent registered public accounting firm requires the affirmative vote of at least a majority of the votes represented and entitled to vote at the meeting, with each share of Common Stock entitled to one vote. Abstentions have the same effect as votes **AGAINST** the matter. Shares not voted on the matter, including broker non-votes, have no direct effect on the matter.

Proposal 4 Approval of Amendment to Sallie Mae s By-Laws relating to Proxy Access. Under the By-Laws, approval of the amendment to the By-Laws relating to proxy access requires the affirmative vote of a majority of Sallie Mae s outstanding Common Stock entitled to vote on the matter, with each share of Common Stock entitled to one vote. Stockholders may vote **FOR, AGAINST** or **ABSTAIN** on Proposal 4. Abstentions and shares not voted on the matter, including broker non-votes, will have the same effect as a vote **AGAINST** Proposal 4.

Table of Contents

What constitutes a quorum? A quorum is necessary to transact business at the Annual Meeting. A quorum exists if the holders of a majority of Common Stock entitled to vote are present in person or represented by proxy at the Annual Meeting, including proxies on which abstentions (withholding authority to vote) are indicated. Abstentions and broker non-votes will be counted in determining whether a quorum exists.

Who will count the vote? Votes will be tabulated by Sallie Mae s Corporate Secretary.

Who can attend the Annual Meeting? Only holders of Common Stock as of the record date, April 27, 2015, or duly appointed proxies, may attend. No guests will be allowed to attend the Annual Meeting.

What do I need to attend the Annual Meeting and when should I arrive? The Annual Meeting will be held at Sallie Mae s Headquarters, 300 Continental Drive, Newark, Delaware 19713. Admission to the Annual Meeting will begin at 10:00 a.m., Eastern Daylight Time.

In order to be admitted to the Annual Meeting, you should:

- arrive shortly after 10:00 a.m., Eastern Daylight Time, to ensure that you are seated by the commencement of the Annual Meeting at 11:00 a.m., Eastern Daylight Time;

- be prepared to comply with security requirements, which may include guards searching all bags and attendees passing through a metal detector;

- leave your camera at home because cameras, transmission, broadcasting and other recording devices, including certain smart phones, will not be permitted in the meeting room; and

- bring photo identification, such as a driver s license, and proof of ownership of Common Stock on the record date, April 27, 2015. If you are a holder of record, the top half of your proxy card or your Notice of Availability is your admission ticket. If you hold your shares in street name, a recent brokerage statement or a letter from your bank, broker, trustee or other nominee are examples of proof of ownership. If you want to vote your shares held in street name in person, you must get a legal proxy in your name from the broker, bank, trustee or other nominee that holds your shares of Common Stock.

Any holder of a proxy from a stockholder must present a properly executed legal proxy and a copy of the proof of ownership.

If you do not provide photo identification and comply with the other procedures outlined above for attending the Annual Meeting in person, you will not be admitted to the Annual Meeting.

Table of Contents

OVERVIEW OF PROPOSALS

This proxy statement contains four proposals requiring stockholder action, each of which is discussed in more detail below. Proposal 1 requests the election of twelve directors nominated by the Board of Directors. Proposal 2 requests approval, on an advisory basis, of Sallie Mae s executive compensation. Proposal 3 requests ratification of the appointment of KPMG LLP as Sallie Mae s independent registered public accounting firm for the fiscal year ending December 31, 2015. Proposal 4 requests a vote to approve an amendment to Sallie Mae s By-Laws to adopt a provision relating to proxy access.

PROPOSAL 1 ELECTION OF DIRECTORS

The NGC Committee recommended and the Sallie Mae Board of Directors nominated twelve individuals for election at the Annual Meeting. The twelve persons nominated by the Sallie Mae Board of Directors for election are as follows:

Paul G. Child	Jed H. Pitcher
Carter Warren Franke	Frank C. Puleo
Earl A. Goode	Raymond J. Quinlan
Ronald F. Hunt	William N. Shiebler
Marianne M. Keler	Vivian C. Schneck-Last
Jim Matheson	Robert S. Strong

Under our Certificate of Incorporation, the size of our Board of Directors may not be less than eleven nor more than sixteen members. Under the By-Laws, the Board of Directors has the authority to determine the size of the Board of Directors within that range and to fill any vacancies that may arise prior to the next annual meeting of stockholders. Currently, the Board of Directors has set the number of members at twelve.

Biographical information and qualifications and experience with respect to each nominee appears below. In addition to fulfilling the general criteria for director nominees described in the section titled Nominations Process, each nominee possesses experience, skills, attributes and other qualifications the Board of Directors has determined support its oversight and management of Sallie Mae s business, operations and structure. These qualifications are discussed below, along with biographical information regarding each member of the Board of Directors, including each individual s age, principal occupation and business experience during the past five years. Information concerning each director is based in part on information received from the respective directors and in part from Sallie Mae s records.

All nominees appearing below have consented to being named in this proxy statement and to serve if elected. Should any nominee subsequently decline or be unable to accept such nomination to serve as a director, an event that the Board of Directors does not now expect, the Board of Directors may designate a substitute nominee or the persons voting the shares represented by proxies solicited hereby may vote such shares for a reduced number of nominees. If the Board of Directors designates a substitute nominee, persons named as proxies will vote **FOR** that substitute nominee.

The By-Laws provide the election of a director in an uncontested election will be by a majority of the votes cast with respect to a nominee at a meeting for the election of directors at which a quorum is present. Accordingly, a director nominee will be elected to the Board of Directors if the number of shares voted **FOR** the nominee exceeds the number of votes cast **AGAINST** the nominee s election.

Abstentions and shares not voted on the matter, including broker non-votes, have no direct effect on the election of directors.

Table of Contents

NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS

Name and Age Service as a Director	Position, Principal Occupation, Business Experience and Directorships
Paul G. Child	**Former Office Managing Partner, Salt Lake City, Deloitte LLP**
66	Former Office Managing Partner, Salt Lake City, Deloitte LLP 1995 to 2008
Director since April 30, 2014	Professional Highlights: Office Managing Partner, Salt Lake City, Deloitte LLP 1995 to 2008, Professional Practice Director, Salt Lake City 1989 to 1995; Audit Partner 1983 to 2008; various positions 1971 to 1983 Other Professional and Leadership Experience: Director, Sallie Mae Bank 2009 to present Member, Board of Governors, Salt Lake Chamber of Commerce 2002 to 2008 Director, Mountainwest Capital Network 2002 to 2008 Director, United Way of Greater Salt Lake 2001 to 2008 Mr. Child s leadership roles and experience in the accounting field enable him to bring to the Board of Directors experience in the areas of finance, accounting, financial services and capital markets.
Carter Warren Franke	**Former Managing Director, Head of Corporate Marketing, JPMorgan Chase & Co.**
58	Professional Highlights:
Director since April 30, 2014	Managing Director, Head of Corporate Marketing, JPMorgan Chase & Co. 2007 to 2013 Executive Vice President and Chief Marketing Officer, Chase Card Services 1995 to 2007 Other Professional and Leadership Experience:

Director, Sallie Mae Bank 2014 to present

Director, The Warfield Fund 2007 to present

Director, Saint Mary s School 2014 to present

Director, Paul s Place 2014 to present

Ms. Warren Franke s leadership roles and experience in marketing and the banking industry enable her to contribute to the Board of Directors experience in the areas of marketing, business development, and financial services.

6

Table of Contents

Name and Age Service as a Director	Position, Principal Occupation, Business Experience and Directorships
Earl A. Goode	**President, Indianapolis Capital Improvement Board of Managers**
74	President, Indianapolis Capital Improvement Board of Managers 2015 to present
Director since July 31, 2000	Professional Highlights: Chief of Staff to the Governor of Indiana 2006 to 2013 Deputy Chief of Staff to the Governor of Indiana 2006 Commissioner, Department of Administration, State of Indiana 2005 to 2006 Chairman, Indiana Sports Corp. 2001 to 2006 Other Professional and Leadership Experience: Director, Sallie Mae Bank 2013 to present Chairman, Georgetown College Board of Trustees 2006 to present Former Chairman, Indiana Sports Corporation 2001 to 2006 Member, Executive Committee & Host Committee, 2012 Super Bowl 2009 to 2014 Vice Chairman, Indiana Motorsports Commission 2015 to present Mr. Goode has held several leadership positions in business services and operations. This experience, combined with his involvement in the state political process, enables him to contribute to the Board of Directors in the areas of marketing and product development, business operations and political/government affairs.
Ronald F. Hunt	**Attorney and Private Investor**
71	Attorney and private investor 1990 to present
Director since July 5, 1995	Professional Highlights:

Founding Chairman, National Student Clearinghouse 1994 to 1996; 1997 to 2004

Executive Vice President and General Counsel, Student Loan Marketing Association 1984 to 1990; various officer positions 1973 to 1984

Secretary, United States Securities and Exchange Commission 1971 to 1973

Other Professional and Leadership Experience:

Director, Sallie Mae Bank 2013 to present

Trustee, Warren Wilson College Board of Trustees 2003 to present

Trustee, Riverside Theatre Board of Trustees 2012 to present

Mr. Hunt s extensive and deep involvement with the student loan industry and his legal background enable him to bring to the Board of Directors a valuable perspective in the areas of corporate governance, academia, financial services, student/consumer lending and legal and regulatory matters.

Table of Contents

Name and Age Service as a Director	Position, Principal Occupation, Business Experience and Directorships
Marianne M. Keler	**Attorney, Keler & Kershow, PLLC**
60 Director since April 30, 2014	Attorney, Keler & Kershow, PLLC 2006 to present Professional Highlights: Executive Vice President, Consumer Finance, Corporate Strategy & Administration, Sallie Mae 2004 to 2006 Senior Vice President & General Counsel, Sallie Mae; President, Student Loan Marketing Association 1997 to 2004; various other positions 1985 to 1997 Vice President & Associate General Counsel 1990 to 1997 Other Professional and Leadership Experience: Director, Sallie Mae Bank 2010 to present American University in Bulgaria, Trustee 2000 to present American University in Bulgaria, Board Chair 2006 to 2014 Member, Georgetown University Board of Regents 2009 to present Founding Director, National Student Clearinghouse 1993 to 2009 Directorship of other public companies: CubeSmart (NYSE: CUBE) 2007 to present Ms. Keler s legal background and experience in the student loan industry and with Sallie Mae bring valuable perspective to the Board of Directors in the areas of student/ consumer lending, legal and corporate governance and higher education.
Jim Matheson	**Principal, Squire Patton Boggs**

55

Principal in the Public Policy Practice, Squire Patton Boggs 2015 to present

Director since

March 26, 2015

Professional Highlights:

Member of the United States House of Representatives 2001 to 2015

Founder of The Matheson Group 1999 to 2000

Consultant, Energy Strategies, Inc. 1991 to 1998

Other Professional and Leadership Experience:

Previous service on the U.S. House of Representatives Energy and Commerce Committee 2007 to 2015; Science Committee 2001 to 2011; Financial Services Committee 2003 to 2007, and Transportation and Infrastructure Committee 2001 to 2007

Former Chief Deputy Whip for the Democratic Caucus of the U.S. House of Representatives 2011 to 2015

Mr. Matheson s extensive experience in public policy and financial services enable him to bring to the Board of Directors a valuable perspective in development of business strategies and on public policy and regulatory matters.

Table of Contents

Name and Age Service as a Director	Position, Principal Occupation, Business Experience and Directorships
Jed H. Pitcher	**Former President and Chief Operating Officer of the Regence Group**
74 Director since April 30, 2014	Former President and Chief Operating Officer of Regence Group, a healthcare insurance provider 2000 to 2004 Professional Highlights: Former Chairman, President and Chief Executive Officer of Regence Blue Cross Blue Shield of Utah Group 1981 to 2000 Other Professional and Leadership Experience: Director, Sallie Mae Bank 2005 to present Member and Chair, Utah State Board of Regents 2001 to present Director and Chair, Workers Compensation Fund of Utah 1988 to 1997 Trustee and Chair, Utah State University Board of Trustees 1991 to 1999 Member and Vice Chair, Salt Lake Area Chamber of Commerce Board of Governors 1992 to 1995 Director, Westminster College 1987 to 1991 Mr. Pitcher s extensive leadership experience in the insurance industry enables him to bring valuable insight to the Board of Directors in the areas of finance, business operations and corporate governance.
Frank C. Puleo	**Attorney**
69 Director since March 20, 2008	Attorney 2006 to present Professional Highlights: Co-Chair, Global Finance Group, Milbank, Tweed, Hadley & McCloy LLP, a law firm 1995 to 2006; Partner 1978 to 2006

Other Professional and Leadership Experience:

Director, Sallie Mae Bank 2013 to present

Director, CMET Finance LLC

Director, Syncora Capital Assurance Inc.

Directorships of other public companies:

Apollo Investment Corporation 2007 to present

CIFC Corp 2007 through 2014

Mr. Puleo s background as a corporate and finance lawyer enables him to bring analytical, legal and financial insight to the Board of Directors in the areas of financial services, capital markets transactions and corporate governance.

Table of Contents

Name and Age Service as a Director	Position, Principal Occupation, Business Experience and Directorships
Raymond J. Quinlan	**Chairman and Chief Executive Officer, Sallie Mae**
63 Director since January 16, 2014	Chairman and Chief Executive Officer, Sallie Mae April 30, 2014 to present Professional Highlights: Vice Chairman, Sallie Mae January, 2014 to April 30, 2014 Executive Vice President Banking, CIT Group 2010 to 2013 Executive Chairman, Coastal South Bancshares, Inc. 2010 Business Manager at Goldman Sachs 2007 to 2008 Chief Executive Officer, Retail Division North America, for Citigroup 2005 to 2007 Other Professional and Leadership Experience: Director, Sallie Mae Bank 2014 to present Directorships of other public companies: Islandsbanki, based in Reykjavik, Iceland 2009 to 2010 Doral Financial Company 2008 to 2010 Mr. Quinlan s extensive background and significant leadership experience in the banking industry allow him to provide business and leadership insight to the Board of Directors in the areas of banking, financial services, business operations and capital markets.
Vivian C. Schneck-Last	**Former Managing Director, Global Head of Technology Governance, Goldman Sachs & Company**
54	Former Managing Director, Global Head of Technology Governance, Goldman Sachs & Company 2009 to 2014

Director since

March 26, 2015

Professional Highlights:

- Managing Director, Global Head of Technology Business Development, Goldman Sachs & Company 2000 to 2014
- Managing Director, Global Head of Technology Vendor Management, Goldman Sachs & Company 2003 to 2014

Other Professional and Leadership Experience:

- Director, CyberCanary 2015 to present
- Director, Bikur Cholim of Manhattan 2014 to present
- Committee Member, Jewish Theological Seminary 2012 to 2013

Ms. Schneck-Last s strategic technology experience and background in technology governance in the financial services field bring valuable perspective to the Board of Directors in risk management and on a broad range of enterprise technology matters.

Table of Contents

Name and Age Service as a Director	Position, Principal Occupation, Business Experience and Directorships
William N. Shiebler	**Private Investor**
73	Private Investor 2007 to present
Director since April 30, 2014	Professional Highlights: Chief Executive Officer of the Americas, Deutsche Asset Management (Deutsche Bank) 2002 to 2007 President and Chief Executive Officer, Putnam Mutual Funds, Senior Managing Director, Putnam Investments 1990-1999 Other Professional and Leadership Experience: Director, Sallie Mae Bank 2010 to present Trustee, United States Ski and Snowboard Team 2002 to present Directorships of other public companies: Calamos Asset Management, Inc. 2012 to present OXiGENE, Inc. 2002 to 2012 MasTec Inc. 2001 to 2004 Mr. Shiebler s extensive experience in the financial services industry and with other public companies allows him to provide valuable insight to the Board of Directors in the areas of finance, portfolio management and business operations.
Robert S. Strong	**Former Managing Director, Chairman, Capital Commitments Committee, Bank of America Securities**
66	Former Managing Director, Chairman, Capital Commitments Committee, Bank of America Securities 2006 to 2007

Director since

April 30, 2014

Professional Highlights:

Former Managing Director, Portfolio Management, Bank of America Securities 2001 to 2006
Former Executive Vice President, Chief Credit Officer, JP Morgan Chase Bank 1996 to 2001

Other Professional and Leadership Experience:

Director, Sallie Mae Bank 2014 to present
Member, Financial Policy Review Board for the State of New Jersey 2013 to present
Director, CamberLink Inc. 2013 to present
Director, Syncora Capital Assurance Inc. 2009 to present

Mr. Strong s extensive experience in the banking and financial services industries allows him to provide valuable insight to the Board of Directors in the areas of finance, risk management, portfolio management and business operations.

Board of Directors Recommendation

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE ELECTION OF THE TWELVE NOMINEES NAMED ABOVE.

Table of Contents

PROPOSAL 2 ADVISORY VOTE ON EXECUTIVE COMPENSATION

Sallie Mae is asking stockholders to approve an advisory resolution (commonly referred to as a say-on-pay resolution) on its executive compensation as reported in this proxy statement. Sallie Mae urges stockholders to read the Compensation Discussion and Analysis section (CD&A) of this proxy statement, which describes how its executive compensation policies and procedures operate and are designed to achieve its compensation objectives, as well as the Summary Compensation Table and other related compensation tables and narrative, which provide detailed information on the compensation of Sallie Mae s named executive officers.

The NGC Committee of the Board of Directors was created shortly after the April 30, 2014 separation of Navient from Sallie Mae (the Spin-Off) and its current members were then appointed. As members of either the Board of Directors of our predecessor company (Old SLM) or of Sallie Mae Bank prior to that time, each member of the NGC Committee has had the benefit of working with, and understanding the planning and actions of, the Compensation and Personnel Committee of the Board of Directors of Old SLM (the Compensation Committee) in preparation of the Spin-Off. As previously reported in our CD&A in last year s proxy statement, the Compensation Committee made many of the decisions under Sallie Mae s executive compensation program reported in this year s CD&A up to the date of the Spin-Off. Decisions subsequent to the Spin-Off, most notably with respect to the post-Spin-Off changes to the executive compensation program and decisions made thereunder, have been made by the NGC Committee.

The Board of Directors has adopted a policy providing for annual say on pay advisory votes. In accordance with this policy and Section 14A of the Securities Exchange Act of 1934, as amended (the Exchange Act), and as a matter of good corporate governance, Sallie Mae is asking stockholders to approve the following advisory resolution at the Annual Meeting:

Resolved, that Sallie Mae s stockholders approve, on an advisory basis, the compensation of the Company s named executive officers, as disclosed in the Compensation Discussion and Analysis and the related compensation tables and narrative disclosure in this proxy statement.

This proposal to approve the resolution regarding the compensation of Sallie Mae s named executive officers requires the affirmative vote of the holders of a majority of the Common Stock present, represented and entitled to vote at the Annual Meeting. Abstentions have the same effect as votes **AGAINST** the matter. Shares not voted on the matter, including broker non-votes, have no direct effect on the matter.

This proposal is not intended to address any specific element of compensation but rather Sallie Mae s overall compensation policies as they relate to the Company s named executive officers. Therefore, your vote will not impact or limit any existing compensation or award to any named executive officers. Because your vote is advisory, it is not binding upon the NGC Committee or the Board of Directors, and may not be construed as overruling a decision by the Board of Directors or creating an additional fiduciary duty of the Board of Directors. However, the Board of Directors will, as it has done in the past, carefully evaluate the outcome of the vote when considering future executive compensation decisions. At our 2014 annual meeting of stockholders (the 2014 Annual Meeting), approximately 98 percent of the votes were cast in favor of the advisory approval of the compensation of Sallie Mae s named executive officers.

Board of Directors Recommendation

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE APPROVAL, ON AN ADVISORY BASIS, OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS, AS DISCLOSED IN THE COMPENSATION DISCUSSION AND ANALYSIS AND THE RELATED COMPENSATION TABLES AND NARRATIVE DISCLOSURE IN THIS PROXY STATEMENT.

Table of Contents

PROPOSAL 3 RATIFICATION OF THE APPOINTMENT OF THE

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Sallie Mae s independent registered public accounting firm, KPMG LLP (KPMG), is selected by the Audit Committee. The Audit Committee has engaged KPMG as Sallie Mae s independent registered public accounting firm for the fiscal year ending December 31, 2015. Representatives of KPMG are expected to be present at the Annual Meeting and they will have the opportunity to respond to appropriate questions from stockholders and to make a statement if they desire to do so.

This proposal is put before the stockholders because the Board of Directors believes it is a good corporate governance practice to provide stockholders a vote on ratification of the selection of the independent registered public accounting firm.

For ratification, this proposal will require the affirmative vote of the holders of a majority of the shares of Common Stock present, represented and entitled to vote at the Annual Meeting. Abstentions have the same effect as votes **AGAINST** the matter. Shares not voted on the matter, including broker non-votes, have no direct effect on the matter. If the appointment of KPMG is not ratified, the Audit Committee will evaluate the basis for the stockholders vote when determining whether to continue the firm s engagement. Even if the selection of Sallie Mae s independent registered public accounting firm is ratified, the Audit Committee may direct the appointment of a different independent registered public accounting firm at any time during 2015 if, in its discretion, it determines such a change would be in the Company s best interests.

Board of Directors Recommendation

THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR RATIFICATION OF THE APPOINTMENT OF KPMG AS SALLIE MAE S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR 2015.

Table of Contents

PROPOSAL 4 APPROVAL OF AMENDMENT TO THE BY-LAWS OF SLM CORPORATION RELATING TO PROXY ACCESS

At our 2014 Annual Meeting, a stockholder-submitted proposal requested the Company to produce and submit to stockholders for approval an amendment to our By-Laws to permit certain stockholder-nominated candidates for election to our Board of Directors to be included in our proxy materials. That proposal received the majority support of our stockholders. In response to the stockholder vote at the 2014 Annual Meeting, our Board of Directors recommends our stockholders approve the following amendment to our By-Laws.

A summary of the proposed amendment to the By-Laws is set forth below. The following description of the proposed By-Law amendment is qualified in its entirety by reference to the text of the proposed amendment, which is attached as Attachment A to this proxy statement.

Stockholder Eligibility to Nominate The proposed amendment to the By-Laws would permit any stockholder, or group of no more than 20 stockholders, owning 3 percent or more of our outstanding common stock continuously for at least the previous three years who complies with the requirements set forth in the By-Law, to include one director nominee in the Company s proxy statement for its annual meeting of stockholders.

Number of Stockholder-Nominated Candidates The maximum number of stockholder-nominated candidates would be equal to 25 percent of the number of seats on the Board of Directors to be filled in the annual election (rounded down to the nearest whole number but not less than one). Based on our current Board of Directors size of twelve directors, the maximum number of stockholder-nominated candidates that we would be required to include in our proxy materials for an annual meeting of stockholders is three. Stockholder-nominated candidates who are nominated under the proxy access procedures that are either later withdrawn or that the Board of Directors subsequently determines to include in the Company s proxy materials as Board-nominated candidates and any director in office as of the nomination deadline who was previously included in the Company s proxy materials as a stockholder nominated candidate for either of the two preceding annual elections pursuant to the proxy access procedures whom the Board of Directors decides to renominate for election as a Board of Directors nominee would in each case be counted toward the 25 percent limit. Each nominating stockholder or group of stockholders may nominate one, but not more than one, director. If the number of stockholder-nominated candidates exceeds 25 percent of the number of seats on the Board of Directors to be filled in the annual election, then such candidates would be included in the proxy material in order of the number of shares of Company common stock (largest to smallest) held by each nominating stockholder or group of stockholders until the maximum is reached.

Nominating Procedure In order to provide adequate time to assess stockholder-nominated candidates, requests to include director nominees in the Company s proxy materials must be received no earlier than the close of business on the 120th day and no later than the close of business on the 90th day prior to the anniversary date of the immediately preceding annual meeting of stockholders. In the event that the proposed amendment to the By-Laws relating to proxy access is approved, we intend to amend the advance notice window in Section 8 of the By-Laws for director nominations and other business to not earlier than the close of business on the 120th day nor later than the close of business on the 90th day prior to the anniversary date of the immediately preceding annual meeting of stockholders. Section 8 of the By-Laws currently provides for an advance notice window of between 120 days and 60 days prior to the anniversary date of the immediately preceding annual meeting of stockholders.

Information Required; Representations and Undertakings Each stockholder seeking to include a director nominee in the Company s proxy materials would be required to provide certain information and make certain representations and undertakings at the time of nomination, including:

- Proof that the nominating stockholder or group of stockholders has held the required number of shares for the requisite period;

- The stockholder s notice on Schedule 14N required to be filed with the SEC;

14

Table of Contents

The written consent of the stockholder nominee to being named in the proxy statement as a nominee and to serving as a director if elected; and

Representations and undertakings regarding the stockholder s intent and compliance with applicable laws, including the lack of an intent to change or influence control of the Company and an undertaking to assume liability stemming from any violation arising out of any communications by the nominating stockholder with the Company s stockholders and from the information that the stockholder provides to the Company.

In addition, each stockholder nominee would be required to submit information as necessary to permit the Board of Directors to determine if the stockholder nominee is independent under the listing standards of the principal U.S. exchange upon which the common stock of the Company is listed, any applicable rules of the SEC, or any publicly disclosed standards used by the Board of Directors in determining and disclosing the independence of the Company s directors.

Calculation of Ownership In order to ensure the interests of stockholders seeking to include director nominees in the Company s proxy materials are aligned with those of other stockholders, such nominating stockholder would be considered to own only the shares for which the stockholder possesses the full voting and investment rights and the full economic interest (including the opportunity for profit and risk of loss). Under this provision, borrowed or hedged shares would not count as owned shares, but shares that are held in the name of a nominee or other intermediary may count as owned shares provided the stockholder has retained full economic and voting rights over the shares.

Independence of Stockholder Nominees A stockholder nominee would not be eligible for inclusion if the Board of Directors determines he or she is not independent under the listing standards of the principal U.S. exchange upon which the common stock of the Company is listed, any applicable rules of the SEC, or any publicly disclosed standards used by the Board of Directors in determining and disclosing the independence of the Company s directors.

Supporting Statement Stockholders would be permitted to include in the proxy statement a 500-word statement in support of their nominee; however, the Company may omit any information or such statement (or portion thereof) from its proxy materials if it determines the information or statement (or portion thereof) would be materially false or misleading, omits a material fact, or would violate any applicable law or regulation.

Re-Nomination of Stockholder Nominees Stockholder nominees who are included in the Company s proxy materials but subsequently withdraw from, or become ineligible or unavailable for, election at the annual meeting of stockholders, or who have not received at least 25 percent of the votes cast in favor of the nominee at the annual meeting of stockholders would be ineligible to be a proxy access nominee for the next two annual meetings of stockholders. In addition, the Company would not be required to include any stockholder-nominated candidates in the proxy materials for any annual meeting of stockholders for which any stockholder has already nominated a director for election pursuant to the advance notice provisions of the By-Laws.

Qualifications of Stockholder Nominees If the proposed amendment to the By-Laws relating to proxy access is approved, the Board of Directors intends to amend the Company s Corporate Governance Principles to provide that any director or director nominee would not be qualified to be a director of the Company if he or she: (1) has been an officer or director of a competitor, as defined in Section 8 of the Clayton Antitrust Act of 1914, within the past three years; or (2) is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses) or has been convicted in a criminal proceeding within the past ten years.

Effectiveness and Vote Required If the proposed amendment to the By-Laws relating to proxy access is approved, it will become effective immediately and proxy access will be available for the next annual meeting of stockholders at which directors are to be elected. The affirmative vote of the holders of at least a majority of the outstanding common stock of the Company is required to approve the amendment to our By-Laws relating to proxy access. Abstentions and shares not voted on the proposal, including broker non-votes, will have the same effect as votes **AGAINST** the proposal.

Table of Contents

The actual text of the proposed Article II, Section 9 of the By-Laws is attached as Attachment A. Stockholders are urged to read carefully Attachment A. A copy of the complete By-Laws is available from the Corporate Secretary at corporatesecretary@salliemae.com or Office of the Corporate Secretary, 300 Continental Drive, Newark, Delaware 19713.

Board of Directors Recommendation

UPON THE RECOMMENDATION OF THE NGC COMMITTEE, THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR THE APPROVAL OF THE AMENDMENT TO THE BY-LAWS OF SLM CORPORATION RELATING TO PROXY ACCESS.

Table of Contents

CORPORATE GOVERNANCE

The Company became the publicly-traded successor to Old SLM just prior to the Spin-Off, pursuant to an internal reorganization undertaken in furtherance of the separation of its consumer banking business from Old SLM s education loan management, servicing and asset recovery business now held by Navient. As part of that reorganization, the Company adopted the charter and by-laws of Old SLM. However, our corporate governance structure has been changed from that of Old SLM to better align our governance processes with Sallie Mae s new primary business model as a consumer banking business.

Role and Responsibilities of the Board of Directors

The Board of Directors believes strong corporate governance is critical to achieving Sallie Mae s performance goals and to maintaining the trust and confidence of investors, employees, regulatory agencies and other stakeholders.

The primary responsibilities of the Board of Directors are to:

- Review Sallie Mae s long-term strategies and set long-term performance metrics;
- Review risks affecting Sallie Mae and its processes for managing those risks, and oversee assignment of various aspects of risk management, compliance, and governance;
- Select, evaluate, and compensate the Chief Executive Officer and our named executive officers;
- Plan for succession of the Chief Executive Officer and members of the executive management team;
- Review and approve Sallie Mae s annual business plan and multi-year strategic plan and periodically review performance against such plans;
- Review and approve major transactions and business initiatives;
- Through its Audit Committee, select and oversee Sallie Mae s independent registered public accounting firm;
- Recommend director candidates for election by stockholders; and
- Evaluate its own effectiveness.

Board Governance Guidelines

The Board of Directors Governance Guidelines (the Guidelines) are reviewed each year by the NGC Committee, which from time to time will recommend changes to the Board of Directors. The Guidelines are published at www.salliemae.com under Investors, Corporate Governance and a written copy may be obtained by contacting the Corporate Secretary at corporatesecretary@salliemae.com. The Guidelines, along with Sallie Mae s By-Laws, embody the following governance practices, among others:

A majority of the members of the Board of Directors must be independent directors and all members of the Audit and NGC Committees must be independent.

All directors stand for re-election each year. Directors are elected under a majority vote standard in uncontested elections. Absent a waiver granted by the Board of Directors, directors are not eligible for nomination after reaching age 75.

The Board of Directors currently combines the roles of Chairman of the Board of Directors and Chief Executive Officer. We also have a Lead Independent Director elected by the Board of Directors.

Table of Contents

Each regularly scheduled Board of Directors meeting concludes with an executive session in which only members of the Board of Directors participate. Each regularly scheduled committee meeting also generally concludes with an executive session presided over by the committee chair.

We maintain stock ownership and retention guidelines for directors and executive officers.

The Board of Directors and its committees conduct performance reviews annually.

The Board of Directors and its committees may engage their own advisors.

During 2014, the Board of Directors amended the Guidelines to reflect the post-Spin-Off modifications to the committee structure as discussed below in Board Committees and to further define the responsibilities of the Lead Independent Director now that the offices of Chairman of the Board of Directors and Chief Executive Officer have been combined. The Guidelines were also amended to reflect the Board of Directors expectation that directors attend continuing director education programs regarding matters relevant to the Company and its business.

Board Leadership Structure

Raymond J. Quinlan now serves as Chairman of the Board of Directors and our Chief Executive officer. The Board of Directors believes Mr. Quinlan is best situated to serve as Chairman of the Board of Directors based upon his significant consumer banking experience. In addition, the Board of Directors believes Mr. Quinlan s combined roles as Chairman of the Board of Directors and Chief Executive Officer position him to identify effectively Sallie Mae s strategic priorities and lead discussions on the execution of Company strategy. Mr. Quinlan s industry-specific experience and expertise allow him to direct effectively discussions and focus decision-making on those items most important to Sallie Mae s overall success.

While the Board of Directors currently believes combining Chairman of the Board of Directors and Chief Executive Officer duties is essential to Sallie Mae s overall strategic development, it continues to be aware that one of its responsibilities is to oversee Company management and make performance, risk and compensation related decisions regarding management. To balance appropriately the Board of Directors focus on strategic development with its management oversight responsibilities, the Board of Directors has continued the position of Lead Independent Director. Immediately after the 2014 Annual Meeting, Mr. Child was designated by the Board of Directors as the Lead Independent Director. The Lead Independent Director and the Chair of the NGC Committee are now responsible for leading the annual performance review of the Chief Executive Officer. In addition, the Lead Independent Director will continue to act as an active liaison between management and Sallie Mae s independent directors, maintaining frequent contact with both Mr. Quinlan to advise him on the progress of the Board of Directors committee meetings, and with individual independent directors concerning developments affecting the Company. Through the role of an active, engaged Lead Independent Director, the Board of Directors believes its leadership structure is appropriately balanced between promoting Sallie Mae s strategic development with the Board of Directors management oversight function. The Board of Directors also believes its leadership structure has created an environment of open, efficient communication between the Board of Directors and management, enabling the Board of Directors to maintain an active, informed role in risk management by being able to monitor and manage those matters that may present significant risks to Sallie Mae.

Director Independence

For a director to be considered independent, the Board of Directors must determine the director does not have any direct or indirect material relationship with Sallie Mae. The Board of Directors has adopted the Guidelines, which embody the corporate governance principles and practices of the Company. The Guidelines include the standards for determining director independence which conform to the independence requirements of the NASDAQ listing standards.

The Board of Directors has determined that all of the individuals who served as a director during 2014 and all nominees standing for election at the Annual Meeting, other than Mr. Quinlan, our Chief Executive Officer, and Mr. Joseph A. DePaulo, our former Executive Vice President of Banking and Finance who resigned his position on the Board of Directors on May 28, 2014 and left employment as an executive officer of Sallie Mae effective June 13, 2014 are independent of Sallie Mae.

18

Each member of the Board of Directors Audit and NGC Committees is independent within the meaning of the NASDAQ listing standards, SEC Exchange Act Rule 10A-3 and Sallie Mae s own director independence standards set forth in the Guidelines.

Board, Committee and Annual Meetings Attendance

Following the Spin-Off, our newly constituted Board of Directors met seven times in 2014. Each of the then-serving directors attended at least 75 percent of the total number of meetings of the Board of Directors and committees on which he or she served. Directors are expected to attend the Annual Meeting, and all then-serving members of the Board of Directors attended the Annual Meeting in June 2014.

Board Committees

The Company s Board of Directors established the following standing committees following the Spin-Off to assist in its oversight responsibilities: Audit; Nominations, Governance and Compensation (NGC); Risk; Executive and Strategic Planning; and Preferred Stock. Each committee is governed by a Board-approved written charter, which is evaluated annually and which sets forth the respective committee s functions and responsibilities. Membership of each of the committees was established shortly after the Spin-Off.

The Board of Directors implemented the following changes to its corporate governance structure at the time of the Spin-Off:

- Combined its prior (i) Compensation and Personnel Committee, and (ii) Nominations and Governance Committee into a Nominations, Governance, and Compensation Committee;
- Eliminated the Finance and Operations Committee; and
- Formed a new Risk Committee.

During 2014, annual work-plans were created from the charters of the Audit, NGC, and Risk Committees so that responsibilities of each committee would be addressed at appropriate times throughout the year. For the Preferred Stock Committee, the responsibilities were determined by the respective Certificates of Designation of each series of preferred stock. Agendas for committee meetings are developed based on each committee s work-plan and all other current matters the committee chair or management believes should be addressed at the meeting. The chair of each committee provides regular reports to the Board of Directors regarding the subject of the committee s meetings and any committee actions.

Table of Contents

The following table sets forth the membership and number of meetings held for each committee of the newly constituted Board of Directors during the post-Spin-Off period in 2014.

	Audit Committee	Nominations, Governance, and Compensation Committee	Risk Committee	Executive and Strategic Planning Committee	Preferred Stock Committee
Paul G. Child	*		*		
Carter Warren Franke		*	*	*	
Earl A. Goode		*	*	X Co-Chair	
Ronald F. Hunt	*	*			
Marianne M. Keler	*				
Raymond J. Quinlan				X Co-Chair	
Jed H. Pitcher	X	*			*
Frank C. Puleo			X	*	
William N. Shiebler		X		*	*
Robert S. Strong	*		*		X
Number of Meetings Since April 30, 2014	6	8	4	1	1

X = Chair

* = Committee Member

On March 26, 2015, the Board of Directors appointed Jim Matheson and Vivian C. Schneck-Last as independent directors of the Company, effective immediately. In connection with the appointments, the Board of Directors also voted to increase the number of Board of Directors seats from eleven to twelve. Mr. Matheson was appointed to the Nominations, Governance, and Compensation Committee. Ms. Schneck-Last was appointed to the Risk, and Executive and Strategic Planning Committees.

Audit Committee. During 2014, the Audit Committee assisted the Board of Directors in fulfilling its responsibilities by providing oversight relating to: (1) the integrity of Sallie Mae s financial statements; (2) the Company s system of internal controls; (3) the qualifications, performance and independence of Sallie Mae s independent registered accounting firm; (4) the performance of the Company s internal audit function; (5) risks related to Sallie Mae s compliance, legal and regulatory matters; and (6) the review of related persons transactions. In addition, the Audit Committee prepares the report of the Audit Committee for Sallie Mae s annual proxy statement, as required by the SEC. During 2014, the Board of Directors determined Mr. Child, Mr. Pitcher, and Mr. Strong each qualified as an Audit Committee Financial Expert as set forth in Item 401 of Regulation S-K. During 2014, none of the Audit Committee members served on the audit committee of more than three public companies.

Nominations, Governance, and Compensation (NGC) Committee. At the time of the Spin-Off, the Board of Directors combined Old SLM s previously existing Compensation and Personnel Committee with the Nominations and Governance Committee to form the NGC Committee. There was complete overlap of the membership of the two prior Old SLM committees. The NGC Committee adopted a charter that combined the roles and responsibilities of these committees. Pursuant to the provisions of its charter, the primary responsibilities of the NGC Committee during 2014 were to: (1) approve or recommend, as appropriate, compensation, benefits and employment arrangements for Sallie Mae s Chief Executive Officer, executive officers with a title of Executive Vice President and higher and other named executive officers (Executive Management or NEOs), and independent members of the Board of Directors; (2) review and approve benefit plans, compensation plans and incentive plans applicable to Executive Management; (3) review, approve and administer all equity-based plans of the Company; (4) supervise the administration of employee benefit plans of Sallie Mae as required by law or the plan terms or as otherwise appropriate; (5) receive periodic reports regarding the Company s compensation programs as they relate to all employees; (6) review Sallie Mae s management development and recommend to the Board of Directors succession plans applicable to Executive Management; (7) review and consider current and developing compensation and

personnel related topics as appropriate; (8) prepare the report of the NGC Committee for inclusion in this proxy statement, as required by the SEC; (9) review the risks arising from Sallie Mae s compensation policies and practices to determine whether such policies and practices are reasonably likely to have a material adverse effect on the Company; (10) assist the Board of Directors in establishing appropriate standards for the governance of Sallie Mae, the operations of the Board of Directors and the qualifications of directors; (11) identify individuals qualified to become directors and recommend to the Board of Directors the director nominees for each annual meeting of stockholders; and (12) supervise the evaluation of the Board of Directors and its committees and review and recommend changes to the Guidelines to the Board of Directors.

The NGC Committee considers NEO and director compensation on an annual basis. After consultation with the Lead Independent Director and other independent directors, the NGC Committee sets Chief Executive Officer and NEO compensation. The NGC Committee also makes recommendations to the Board of Directors regarding director compensation.

Risk Committee. The Board of Directors established the Risk Committee following the Spin-Off. The Risk Committee assists the Board of Directors by providing oversight with respect to the following: (1) the Company s major risk areas, including Credit, Funding & Liquidity, Market, Compliance/Regulatory, Legal, Operational, Reputational/Political, and Governance; (2) the Company s risk management framework, including the policies, procedures, processes, internal controls, and resources related to the assessment and management of its major risks; (3) the risk governance structure, roles and responsibilities established within the Company to support the risk management framework; and (4) the Company s risk appetite, including regular review of identified risk appetite statements and processes for monitoring of limits. The Board of Directors determined Mr. Child, Ms. Warren Franke, Mr. Pitcher, Ms. Schneck-Last, and Mr. Strong each qualified as a Risk Management Expert as such term is defined by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) and the rules and regulations promulgated thereunder.

Executive and Strategic Planning Committee. Following the Spin-Off, the Board of Directors re-designated the previously existing Executive Committee as the Executive and Strategic Planning Committee and revised the committee s charter to align the committee s role and purpose with Sallie Mae s new business model. Significantly, the charter was revised to remove the Committee s plenary power to take action on behalf of the full Board of Directors. The purpose of the newly constituted Executive and Strategic Planning Committee is to engage the Chief Executive Officer and senior management of the Company in the strategic planning process, exchange information and ideas to develop proposals regarding the Company s long-term strategic agenda initiatives, and to report on such proposals to the Board of Directors.

Preferred Stock Committee. The Preferred Stock Committee monitors and evaluates proposed actions of Sallie Mae that may impact the rights of holders of the Company s outstanding preferred stock, including the payment of dividends on the preferred stock.

Committee charters are available at www.salliemae.com under Investors, Corporate Governance. Stockholders may obtain a written copy of a committee charter by contacting the Corporate Secretary at corporatesecretary@salliemae.com or SLM Corporation, 300 Continental Drive, Newark, Delaware 19713.

All members of the Board of Directors also serve as members of the board of directors of our wholly-owned subsidiary, Sallie Mae Bank (the Bank) and its committees. The Bank board of directors has standing Audit, NGC and Risk committees with identical membership as their Company counterparts. Separately, the Compliance Committee of the Bank board of directors was established in 2014 and has oversight over the establishment of standards related to our monitoring and control of legal and regulatory compliance risks and the qualification of employees overseeing these risk management functions.

Status of 2014 Stockholder Proposals

Proxy Access

At our 2014 Annual Meeting, we included in the Company s proxy statement an advisory stockholder proposal regarding the adoption of a proxy access by-law that would require the Company to include in proxy materials prepared for an annual meeting of stockholders at which directors are to be elected the name, disclosure and statement of any person nominated for election to the Board of Directors by a stockholder or group of stockholders that meets the criteria set forth in the proposal.

Table of Contents

At the time of issuance of the Company s proxy statement with respect to its 2014 Annual Meeting, our Board of Directors had separately put forward a proposal requesting stockholders approve an amendment to the Company s Certificate of Incorporation (the Certificate) to eliminate cumulative voting, and made no recommendation to stockholders regarding the proxy access by-law proposal. Subsequent to the distribution of the Company s 2014 Proxy Statement, the Company in a Supplement to the Proxy Statement for the 2014 Annual Meeting released on June 13, 2014 encouraged stockholders to vote for the elimination of cumulative voting and made the following statement:

The Sallie Mae Board strives to be attentive and responsive to its stockholders. While our Board of Directors chose not to make a recommendation in regards to the proxy access proposal, the Board is not against adoption of proxy access. The Board does however believe that the coexistence of cumulative voting, proxy access and majority voting (which would occur if ISS recommendations are followed) would cause confusion and less than transparent corporate governance. Finally, we note that if the Company stockholders approve the proxy access stockholder proposal also on the ballot, the Nominations, Governance and Compensation Committee of our Board of Directors will propose and recommend proxy access for adoption at our annual meeting in 2015. Any such proposal will include the elimination or suspension of cumulative voting. The Board believes that any implementation of proxy access would further reduce, if not eliminate, any need for or benefit of having cumulative voting since stockholders could obtain access to the nomination process for directors.

The elimination of cumulative voting and the advisory stockholder proposal for proxy access were each approved at our 2014 Annual Meeting by the requisite number of votes.[1] Consequently, our NGC Committee and Board of Directors are, in accordance with the prior statement of the Company, now proposing and recommending our stockholders vote for Proposal No. 4, which we believe is substantially similar to the advisory stockholder proposal on proxy access put forth by stockholders for consideration at our 2014 Annual Meeting.

Disclosure of Lobbying Expenditures and Contributions

At our 2014 Annual Meeting, we included in the Company s proxy statement an advisory stockholder proposal regarding the disclosure of lobbying expenditures and contributions. The proposal requested the Board of Directors authorize the preparation of a report disclosing, among other things, payments used by the Company for direct, indirect or grassroots lobbying and the Company s membership in and payments to any tax-exempt organization that writes or endorses model legislation. The proposal received approval from less than an affirmative vote of at least a majority of the votes present, represented and entitled to be voted on the matter, with abstentions having the same effect as votes against the proposal. The proposal did receive more votes cast in favor of the proposal than against the proposal.

We comply with federal, state and local lobbying registration and disclosure requirements, and we do not engage in grassroots lobbying. The Company s current policy on political activities is publicly available on our website and sets forth the principles regarding the Company s stance on political contributions and activities. Our NGC Committee periodically reviews our legislative priorities and lobbying activities.

We believe it is important our stockholders understand the extent to which the Spin-Off has affected our political lobbying expenditures and activities. Post-Spin-Off, we are a significantly smaller and much more focused banking enterprise. We do not engage in various servicing and collection activities on behalf of the federal government or its agencies, nor do we compete for federal or state government contracts. Old SLM s political action committee, or PAC, all of its assets and all of its activities were assumed and taken over by Navient in connection with the Spin-Off. At this time, we have one long-term, experienced employee engaged full-time in lobbying activities exclusively related to matters that directly or indirectly affect the

Private Education Loan[2] industry and the Company s mission. Our involvement with industry associations is currently very limited and restricted to committee participation focused on the Private Education Loan industry or consumer protection

[1] The proxy access proposal passed by a majority of votes cast, and the amendment to the Certificate of Incorporation eliminating cumulative voting passed by a majority of shares outstanding.

[2] We use Private Education Loans to mean education loans to students or their families that are not issued, insured or guaranteed by any state or federal government.

Table of Contents

regulation related to the same. In the first quarter of 2015, the Company s expenditures relating to lobbying activities were $60,000, as compared to $1,250,000 in the first quarter of 2014 by Old SLM prior to the Spin-Off.[3]

Since the beginning of the year, we have engaged with the corporate governance representatives of stockholders representing a majority of our outstanding common stock about last year s proposal and the current state of our government affairs, activities, and plans. Our communications effort resulted in valuable feedback from these stockholders on the matter and have informed our plans.

During the remainder of 2015 we expect to work closely with the NGC Committee to review and reconsider our existing policies, procedures and decision-making approaches to government relations and political lobbying efforts. We also intend to promptly re-establish a Company PAC. Consequently, at this time we do not believe the preparation and dissemination of any additional reports on these matters would provide any meaningful information to our stockholders. Nor do we believe producing a report prior to reaching conclusions on these important matters with the NGC Committee is prudent. We will continue to consider the value to stockholders of additional reporting of our political activities to our stockholders as our activities evolve during 2015, and review this matter with the NGC Committee in early 2016. We will continue to evaluate our existing policies and reports on our participation in the political process and continue to comply with all applicable laws and regulations on disclosure of those activities.

Compensation Consultant and Independence

Pearl Meyer & Partners LLC has served as our independent compensation consultant (the Compensation Consultant) for all periods described in this proxy statement. The Compensation Consultant was retained by the Compensation Committee of Old SLM prior to the Spin-Off, and its retention was thereafter reaffirmed by the NGC Committee following the Spin-Off (for purposes of simplicity, references hereafter in this section to the NGC Committee also include the Compensation Committee for periods prior to the Spin-Off). The Compensation Consultant reported directly to the NGC Committee and the NGC Committee retained authority to replace the Compensation Consultant or hire additional consultants at any time. A representative of the Compensation Consultant attended meetings of the NGC Committee, as requested, and communicated with the chair of the NGC Committee; however, the NGC Committee made all decisions regarding the compensation of Sallie Mae s NEOs. The Compensation Consultant also provided various executive compensation services to the NGC Committee pursuant to a written consulting agreement with the NGC Committee. Generally, these services included advising the NGC Committee on the principal aspects of Sallie Mae s executive compensation program and evolving industry practices and providing market information and analysis regarding the competitiveness of our compensation program design. During 2014, the Compensation Consultant performed the following services:

- Recommended a peer group of companies for benchmarking executive and director compensation;
- Provided market-relevant information as to the composition of director and executive compensation;
- Provided an update on legislative and regulatory changes that affect director and executive compensation;
- Provided views on the reasonableness of amounts and forms of director and executive compensation;
- Assisted the NGC Committee with incentive plan design decisions;
- Reviewed drafts and commented on the Compensation Discussion and Analysis and related compensation tables for the proxy statement; and
- Identified trends and gave presentations on executive compensation trends and external developments.

[3] Based on information contained in Quarterly Lobbying Reports filed by the Company pursuant to the Lobbying Disclosure Act of 1995, as amended, for the first quarters of 2014 and 2015, respectively.

Table of Contents

On February 10, 2015, the NGC Committee considered the independence of the Compensation Consultant in light of SEC rules and NASDAQ listing standards. The NGC Committee received a statement from the Compensation Consultant addressing the consulting firm s independence, including the following factors: (1) other services provided to Sallie Mae by the Compensation Consultant; (2) fees received by the Compensation Consultant from Sallie Mae as a percentage of the Compensation Consultant s total revenue; (3) policies or procedures maintained by the Compensation Consultant to prevent a conflict of interest; (4) any business or personal relationship between the individual consultants managing the Sallie Mae relationship and any member of the NGC Committee; (5) any business or personal relationship between the individual consultants managing the Sallie Mae relationship, or the Compensation Consultant itself, and executive officers of Sallie Mae; and (6) any Sallie Mae stock owned by the individual consultants managing the relationship with Sallie Mae. The NGC Committee discussed these considerations and concluded the work of the Compensation Consultant did not raise any conflict of interest. For more information on the NGC Committee and the Compensation Consultant, please see the CD&A section in this proxy statement.

The Board of Directors Role in Risk Oversight

The Board of Directors and its committees oversee Sallie Mae s overall strategic direction, including setting risk management philosophy, tolerance and parameters, and establishing procedures for assessing the risks of each business line as well as the risk management practices the management team develops and utilizes. Management escalates to the Board of Directors, its Risk Committee, and other committees any significant departures from established tolerances and parameters and reviews new and emerging risks. During 2014, the Board of Directors committees monitored the following risks:

- The Risk Committee provided oversight over the Company s major risk areas, including Credit, Funding & Liquidity, Market, Compliance, Regulatory, Legal, Operational, Reputational/Political, and Governance;

- The Audit Committee had oversight over the establishment of standards related to Sallie Mae s monitoring and control of legal risks and risks associated with the Company s financial reporting functions, disclosure controls, and internal controls over financial reporting; and

- The NGC Committee monitored Board of Directors processes and corporate governance-related risks, and supervised Sallie Mae s compensation programs to ensure they did not incentivize excessive risk-taking.

The Board of Directors and senior management have also undertaken significant work to establish that all functions, policies and procedures transferred to Sallie Mae Bank (the Bank) in the Spin-Off are sufficient to meet currently applicable bank regulatory standards. We continue to prepare for our expected growth and designation of the Bank as a large bank, which will entail enhanced regulatory scrutiny. For 2014, the following key initiatives have been completed:

Creation of Board-level Risk and Compliance Committees. In connection with the Spin-Off, we have created additional Board-level committees at the Company and the Bank to provide more focused resources and oversight with respect to the continuing development of our enterprise risk management functions and framework, as well as our consumer protection regulatory compliance management system.

Significant Additions to Management Team and Risk Functions. We hired a new Chief Executive Officer, Chief Audit Officer, and Chief Risk Officer, all with extensive experience in the banking and financial services industries. In 2014, we have doubled our Internal Audit staff through experienced external hires. In addition, our new Chief Risk Officer is in the process of enhancing the talent and capabilities of the Enterprise Risk Management organization.

Continuing Development of our Internal Controls Environment. During 2014, our management and Board of Directors reviewed and approved the Enterprise Risk Management Framework and Policy, the Risk Appetite Statement and related metrics, thresholds and limits. Our Chief Risk Officer is responsible for maintaining the Enterprise Risk Management Framework and its components across the organization to identify, remediate, control and monitor significant risks. Additionally, the internal risk oversight committee structure has been revised to achieve greater clarity and to consolidate decision making. Prior management committees have been incorporated into the Enterprise Risk Committee and its sub-committees.

Table of Contents

The Compliance Committee of the Sallie Mae Bank board of directors annually approves our Corporate Compliance Plan, has responsibility for considering significant breaches of our Code of Business Conduct, and receives regular reports from executive management team members responsible for the regulatory and compliance risk management functions.

Risk Assessment of Compensation Policies

Sallie Mae has formed the management-level Incentive Compensation Plan Committee (ICP Committee) to oversee Sallie Mae s incentive compensation plans. The ICP Committee is comprised of a cross-functional team of Sallie Mae s senior officers from human resources, risk, compliance, and legal to exercise risk oversight over its incentive compensation plans. The ICP Committee s responsibilities include oversight of the annual risk review and assessment of Sallie Mae s incentive compensation plans to ensure the Company s employees are not incented to take inappropriate risks which could impact Sallie Mae s financial position and controls, reputation and operations; and to develop policies and procedures to ensure the Company s incentive compensation plans are designed to achieve its business goals within acceptable risk parameters. The ICP Committee periodically reports to the NGC Committee on the controls and reviews of Sallie Mae s incentive compensation plans. In 2014, the ICP Committee conducted risk assessments of Sallie Mae s incentive compensation plans to ascertain any potential material risks that may be created by those plans. Post-Spin-Off, the total number of such plans have reduced from 217 to 27. The ICP Committee presented its findings to the NGC Committee and the NGC Committee agreed with its conclusion that the risks were within Sallie Mae s ability to effectively monitor and manage, were not reasonably likely to have a material adverse effect on the Company, and were not likely to promote excessive risk taking.

Nominations Process

The NGC Committee considers for nomination to the Board of Directors candidates recommended by stockholders and Board of Directors members. The NGC Committee may also engage third-party search firms to assist in identifying director candidates. Candidates are evaluated based on the needs of the Board of Directors and Sallie Mae at that time, given the then-current mix of Board of Directors members. The Board of Directors seeks representation that reflects gender, ethnic and geographic diversity as reflected in the Guidelines. The NGC Committee, through its charter, is charged with reviewing the composition and diversity of the Board of Directors, and as part of the process, the NGC Committee incorporates into the Board of Directors annual evaluation process opportunity for each Board of Directors member to provide input regarding the current and desired composition of the Board of Directors and desired attributes of Board of Directors members. The minimum qualifications and attributes the NGC Committee believes a director nominee must possess include:

- Knowledge of the business of Sallie Mae;
- Proven record of accomplishment;
- Willingness to commit the time necessary for Board of Directors service;
- Integrity and sound judgment in areas relevant to the business;
- Impartiality in representing stockholders;
- Ability to challenge and stimulate management; and
- Independence.

The NGC Committee considers and evaluates candidates recommended by stockholders in the same manner it considers and evaluates all other director candidates. To recommend a candidate, stockholders should send, in writing, the candidate s name, credentials, contact information, and his or her consent to be considered as a candidate to the Chairman of the NGC Committee at corporatesecretary@salliemae.com or c/o Corporate Secretary, SLM Corporation, 300 Continental

Drive, Newark, Delaware 19713. The stockholder should also include his or her contact information and a statement of his or her share ownership. The nomination deadline for the 2015 Annual Meeting has now closed. A stockholder wishing to nominate a candidate must comply with the notice and other requirements described under Stockholder Proposals for the 2016 Annual Meeting in this proxy statement.

Stockholder Communications with the Board

Stockholders and other interested parties may submit communications to the Board of Directors, the non-management directors as a group, the Lead Independent Director or any other individual member of the Board of Directors by contacting the Lead Independent Director in writing at corporatesecretary@salliemae.com or c/o Corporate Secretary, SLM Corporation, 300 Continental Drive, Newark, Delaware 19713.

Code of Business Conduct

The Company has a Code of Business Conduct that applies to Board of Directors members and all employees, including the chief executive officer, the principal financial officer and the principal accounting officer. The Code of Business Conduct is available on the Company s website (www.salliemae.com under Investors, Corporate Governance) and a written copy is available from the Corporate Secretary. The Company intends to post amendments to or waivers of the Code of Business Conduct, if any, (to the extent applicable to the Company s chief executive officer, principal financial officer or principal accounting officer or any director) at this location on its website.

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Fees Paid to Independent Registered Public Accounting Firms for 2014 and 2013

Aggregate fees billed for services performed for Sallie Mae by its independent accountant, KPMG, for fiscal years ended December 31, 2014 and 2013, are set forth below.

	2014	2013
Audit Fees	$ 1,819,490	$ 3,827,670
Audit-Related Fees	200,000	3,258,122
Tax Fees	588,850	612,963
All Other Fees		
Total	$ 2,608,340	$ 7,698,755

Audit Fees. Audit fees include fees for professional services rendered for the audits of the consolidated financial statements of Sallie Mae and statutory and subsidiary audits, issuance of comfort letters, consents, income tax provision procedures, and assistance with review of documents filed with the SEC.

Audit-Related Fees. Audit-related fees include fees for assurance and other services related to service provider compliance reports, trust servicing and administration reports, internal control reviews, and attest services that are not required by statute or regulation.

Tax Fees. Tax fees include fees for federal and state tax compliance, and tax consultation services.

All Other Fees. All other fees for the fiscal years ended December 31, 2014 and December 31, 2013 were $0.

Pre-Approval Policies and Procedures

The Audit Committee has a policy that addresses the approval of audit and non-audit services to be provided by the independent registered public accounting firm to the Company. The policy requires all services to be provided by the

Table of Contents

Company s independent registered public accounting firm be pre-approved by the Audit Committee or its Chair. Each approval of the Audit Committee or the Chair of the Audit Committee must describe the services provided and set a dollar limit for the services. The Audit Committee, or its Chair, pre-approved all audit and non-audit services provided by KPMG during 2014. Reporting is provided to the Audit Committee regarding services the Chair of the Audit Committee pre-approved between committee meetings. The Audit Committee receives regular reports from management regarding the actual provision of all services by KPMG. No services provided by our independent registered public accounting firm were approved by the Audit Committee pursuant to the de minimis exception to the pre-approval requirement set forth in paragraph (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

Table of Contents

REPORT OF THE AUDIT COMMITTEE

The Audit Committee has reviewed and discussed with management and Sallie Mae s independent registered accounting firm, KPMG LLP, the Company s audited financial statements as of and for the year ended December 31, 2014. The Audit Committee also discussed with KPMG LLP the matters under Public Company Accounting Oversight Board standards, including among other things, matters related to the conduct of the audit of our financial statements.

The Audit Committee received and reviewed the written disclosures and the letter from KPMG LLP required by applicable requirements of the Public Company Accounting Oversight Board regarding the independent accountant s communications with the Audit Committee concerning independence and has discussed with KPMG LLP the firm s independence.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors that the financial statements referred to above be included in the Company s Annual Report on Form 10-K for the year ended December 31, 2014, filed with the Securities and Exchange Commission.

Audit Committee

Jed H. Pitcher, Chair

Paul G. Child

Ronald F. Hunt

Marianne M. Keler

Robert S. Strong

Table of Contents

OWNERSHIP OF COMMON STOCK

The following table provides information about each stockholder known to Sallie Mae to beneficially own more than five percent of the outstanding shares of our Common Stock, based solely on the information filed by each such stockholder in 2015 for the year ended December 31, 2014, on Schedule 13G, as amended, as applicable under the Exchange Act. As of February 28, 2015, the Company had 424,904,045 outstanding shares of Common Stock.

Name and Address of Beneficial Owner	Shares(1)	Percent(1)
Goldman Sachs Asset Management(2) 200 West Street New York, NY 10282	48,399,966	11.4%
BlackRock, Inc.(3) 55 East 52nd Street New York, NY 10022	46,642,679	11.0%
Barrow, Hanley, Mewhinney & Strauss, LLC(4) 2200 Ross Avenue 31st Floor Dallas, TX 75201-2761	35,207,067	8.32%
FMR LLC(5) 245 Summer Street, Boston, Massachusetts 02210	34,475,941	8.147%
AllianceBernstein LP(6) 1345 Avenue of the Americas New York, N.Y. 10105	28,980,561	6.8%
The Bank of New York Mellon Corporation(7) One Wall Street, 31st Floor New York, New York 10286	23,711,842	5.6%
Jennison Associates LLC(8) 466 Lexington Avenue New York, NY 10017	22,235,958	5.3%
Prudential Financial, Inc.(9) 751 Broad Street Newark, New Jersey 07102-3777	22,546,815	5.3%

(1) Based on information in the most recent Schedule 13G or Schedule 13G amendment, as the case may be, filed with the Securities and Exchange Commission pursuant to the Exchange Act with respect to holdings of the Company s common stock as of December 31, 2014. Percentages are based on computations contained in the Schedule 13G or Schedule 13G amendment of the reporting entity.

(2) Goldman Sachs Asset Management reported shared power to vote or to direct the vote for 41,737,749 shares of Common Stock and shared power to dispose of or direct the disposition of 48,399,966 shares of Common Stock.

(3) BlackRock, Inc. reported the sole power to vote or direct the voting for 44,104,054 shares of Common Stock and the sole power to dispose of or direct the disposition of for 46,642,679 shares of Common Stock.

(4) Barrow, Hanley, Mewhinney & Strauss, LLC reported sole power to vote or direct the vote for 11,732,146 shares of Common Stock, shared power to vote or to direct the vote for 23,474,921 shares of Common Stock and sole power to dispose or to direct the disposition of 35,207,067 shares of Common Stock.

(5) FMR LLC, Edward C. Johnson 3d and Abigail P. Johnson, through their control of the subsidiaries of FMR LLC, have the sole power to direct the voting of 3,782,822 shares of common stock and the sole power to dispose of or direct the disposition of 34,475,941 shares of Common Stock.

(6) AllianceBernstein LP reported the sole power to vote or direct the voting for 24,656,855 shares of Common Stock, the sole power to dispose of or direct the disposition of for 28,974,661 shares of Common Stock, and the shared power to dispose of or direct the disposition of 5,900 shares of Common Stock.

(7) The Bank of New York Mellon Corporation reported the sole power to vote or direct the voting for 18,405,435 shares of Common Stock, shared power to vote or direct the voting for 530 shares of Common Stock, the sole power to dispose of or direct the disposition of for 23,506,958 shares of Common Stock, and shared power to dispose of or direct the disposition of 204,376 shares of Common Stock.

(8) Jennison Associates LLC reported the sole power to vote or direct the voting for 21,706,896 shares of Common Stock and shared power to dispose of or direct the disposition of 22,235,958 shares of Common Stock.

(9) Prudential Financial, Inc. reported the sole power to vote or direct the voting for 1,175,403 shares of Common Stock, shared power to vote or direct the voting for 20,842,360 shares of Common Stock, the sole power to dispose of or direct the disposition of 1,175,403 shares of Common Stock, and shared power to dispose of or direct the disposition of 21,371,412 shares of Common Stock.

Table of Contents

OWNERSHIP OF COMMON STOCK BY DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth information concerning the beneficial ownership of Sallie Mae s Common Stock by: (i) our current directors and nominees; (ii) the NEOs listed in the Summary Compensation Table; and (iii) all of the Company s current directors and executive officers as a group. Under SEC rules, beneficial ownership for purposes of this table takes into account shares as to which the individual has or shares voting and/or investment power as well as shares that may be acquired within 60 days (such as by exercising vested stock options). Information is provided as of February 28, 2015, unless noted otherwise. The beneficial owners listed have sole voting and investment power with respect to shares beneficially owned, except as to the interests of spouses or as otherwise indicated.

	Shares(1)	Vested Options(2)	Total Beneficial Ownership	Percent of Class
Director Nominees				
Paul G. Child	7,706	181	7,887	*
Carter Warren Franke	6,053		6,053	*
Earl A. Goode	44,261	90,399	134,660	*
Ronald F. Hunt(3)	237,457	90,119	327,576	*
Marianne M. Keler(4)	31,078	1,406	32,484	*
Jim Matheson(5)				
Jed H. Pitcher(6)	12,601	4,511	17,112	*
Frank C. Puleo	48,238	49,619	97,857	*
Raymond J. Quinlan	75,570		75,570	*
Vivian C. Schneck-Last(5)				
William N. Shiebler(7)	9,041	1,359	10,400	*
Robert S. Strong	6,053		6,053	*
Named Executive Officers				
Laurent C. Lutz, Jr.	194,290	184,418	378,708	*
Steven J. McGarry(8)	57,658	34,931	92,589	*
Jeffrey F. Dale				
Charles P. Rocha	22,961	68,668	91,629	*
Joseph A. DePaulo(9)	121,004	267,856	388,860	*
John F. Remondi(10)	482,311	1,370,989	1,853,300	*
Current Directors and Officers as a Group	1,356,282	2,164,456	3,520,738	0.83%

(1) Includes unvested Restricted Shares and RSUs that will vest within 60 days of February 28, 2015 as follows: Mr. Lutz 31,117.

(2) Shares that may be acquired within 60 days of February 28, 2015, through exercise of vested stock options. Net settled options are shown on a spread basis and if not in-the-money shown as 0. Traditional stock options are included in this column on a one-to-one basis, the majority of which are currently underwater. The number of traditional stock options for each individual are as follows: Mr. Goode 47,380; Mr. Hunt 47,100; Mr. Pitcher 3,000; and Mr. Puleo 6,600.

(3) Includes 139,263 shares held in a margin account and are therefore considered pledged as security. No loan is outstanding. Share total also includes 48,067 shares credited as phantom stock units to a deferred compensation plan account.

(4) Includes 22,070 shares held in trust. These shares are held in a margin account and are therefore considered Pledged as a security. No loan is outstanding.

(5) Mr. Matheson and Ms. Schneck-Last joined the Board of Directors on March 26, 2015.

(6) Includes 2,633 shares held in trust.

(7) Includes 1,027 shares held in trust.

(8) Includes 110 shares credited as phantom stock units due to a deferred compensation plan account, and 2,140 shares held in a 401(k) account.

(9) Represents Mr. DePaulo s ownership as of June 13, 2014. Mr. DePaulo s share ownership includes 1,740 shares held in custodial accounts for his children.

(10) Represents Mr. Remondi s ownership as of April 30, 2014.

Table of Contents

EXECUTIVE OFFICERS

Our executive officers are appointed annually by the Board of Directors. The following sets forth biographical information concerning Sallie Mae s executive officers who are not directors. Biographical information for Mr. Quinlan is included in Proposal 1 Election of Directors.

Name and Age	Position and Business Experience
Laurent C. Lutz, Jr. 54	Executive Vice President, General Counsel and Corporate Secretary, SLM Corporation May 2012 to present; Executive Vice President and General Counsel, SLM Corporation January 2011 to May 2012 Chief Legal Officer and Corporate Secretary, BearingPoint, Inc., a global management and technology consulting firm March 2006 to December 2008. On February 27, 2009, BearingPoint, Inc. filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code
Steven J. McGarry 57	Executive Vice President and Chief Financial Officer, SLM Corporation May 2014 to present; Senior Vice President Corporate Finance and Investor Relations, SLM Corporation June 2013 to April 2014; Senior Vice President Investor Relations, SLM Corporation June 2008 to June 2013
Charles P. Rocha 53	Executive Vice President and Chief Marketing Officer, SLM Corporation February 2015 to present; Senior Vice President and Chief Marketing Officer, SLM Corporation February 2013 to February 2014; Senior Vice President Student Lending Sales & Marketing, SLM Corporation September 2009 to January 2013 Senior Vice President Strategic Integration Executive, Bank of America 2008 to 2009
Jeffrey F. Dale 53	Senior Vice President and Chief Risk Officer, SLM Corporation July 2014 to present North American Group Risk Director, Citigroup February, 2009 to July 2014; Divisional Risk Officer, Lloyds TSB July, 2006 to February, 2009

Table of Contents

EXECUTIVE COMPENSATION

NOMINATIONS, GOVERNANCE AND COMPENSATION COMMITTEE REPORT

The Nominations, Governance, and Compensation Committee (the NGC Committee) of the Company s Board of Directors was created shortly after the Spin-Off and we were then appointed. As prior members of either the Company s or the Bank s Board of Directors, we had the benefit of working with, and understanding the planning and actions of, the predecessor Compensation and Personnel Committee of Old SLM s Board of Directors (the Compensation Committee) in preparation for the Spin-Off. The Compensation Committee made many of the decisions under the Company s executive compensation program reported in this Compensation Discussion and Analysis (CD&A). Decisions subsequent to the Spin-Off, most notably in respect to the post-Spin-Off changes to the executive compensation program and decisions made thereunder, have been made by us.

In connection with the Spin-Off, we entered into an employee matters agreement with Navient which allocates responsibility with respect to certain employee compensation matters. The Company is responsible for all compensation expense related to salaries, equity awards and annual bonuses paid or payable for 2014 to the NEOs that remained with the Company after the Spin-Off. Navient is responsible for all one-off cash bonuses paid to those NEOs prior to the Spin-Off, including those paid in recognition of its completion. As described below, equity awards held by NEOs at the time of the Spin-Off have been adjusted to reflect the effects of the Spin-Off and to preserve the market value of the original equity awards. For purposes of eligibility and vesting under the adjusted awards, our NEOs are credited with service for any period of employment with either Sallie Mae or Navient.

The extent of the transformative changes to the Company brought about by the Spin-Off cannot be overstated. The Spin-Off resulted in a Company with slightly more than ten percent of the total assets, liabilities and business of Old SLM but completely focused on a consumer banking franchise. Since May 1, 2014 the Company has made significant changes to its senior management team, including the appointment of Raymond J. Quinlan as our Chairman of the Board of Directors and Chief Executive Officer; establishment of fully staffed loan collection, servicing and customer advocacy operations independent from Navient; hiring of approximately 260 employees; and centralizing all functions and oversight of its Private Education Loan business within its wholly owned subsidiary bank, Sallie Mae Bank (the Bank). While the Company s compensation philosophy and objectives have remained the same, this year we concluded that in the near term we should carefully tailor the Company s executive compensation program to make the objectives of pay-for-performance and retention of top executives our highest priorities.

The NGC Committee recognizes many of our recent decisions are, like the current state of the Company, transitional in nature. We will continue to revisit and revise our executive compensation approach, goals and metrics as the Company s business evolves in the coming years. For 2014 and 2015 we have intentionally placed greater emphasis on simplicity, transparency and making clearer connections between individual performance and compensation. We recognize the critical and immediate importance of successfully completing the build-out of operational, financial and risk oversight capabilities independent from Navient, even though these efforts may not translate immediately into the achievement of short-term corporate financial targets.

We also recognize that while one of the key objectives of the Spin-Off was to allow our stockholders, including our executives, the opportunity to share in the full value created by the Spin-Off, doing so necessarily resulted in complex reallocations of existing equity award values among Navient and SLM equity awards at the same time as the Company was making significant internal promotions to key senior executives to secure its future success. Against this backdrop, we believe that in the near term the possible uncertainties associated with issuing long-term equity-based incentive awards that utilize financially-based, corporate performance targets create an unacceptable retention risk in light of the Company s limited stand-alone historical performance and relatively new senior executive team.

Table of Contents

In conclusion, we have reviewed and discussed with management the CD&A contained in this proxy statement. Based on this review and discussion, we have recommended to the Board of Directors its inclusion herein and its incorporation by reference in the Company s Annual Report on Form 10-K for the year ending December 31, 2014.

*NGC Committee**

William N. Shiebler, Chair

Carter Warren Franke

Earl A. Goode

Ronald F. Hunt

Jed H. Pitcher

* On March 26, 2015, Jim Matheson became a member of the NGC Committee. Mr. Matheson did not participate in any deliberations or decisions reflected in the CD&A.

Table of Contents

COMPENSATION DISCUSSION AND ANALYSIS

For purposes of this Compensation Discussion and Analysis (CD&A), references to SLM Corporation, Sallie Mae, the Company, we, ou with respect to any period prior to the date of the Spin-Off means and refers to SLM Corporation as constituted prior to the Spin-Off, and the same references with respect to any period on or after the date of the Spin-Off means and refers to SLM Corporation, the stand-alone consumer banking business as constituted after the Spin-Off. Additionally, with respect to pre-Spin-Off periods, SLM Corporation is also sometimes referred to herein as Old SLM.

2014 Performance

As set forth in more detail below, the Company met or exceeded most of its financial goals in the eight months following the Spin-Off, and led its compensation peer group in total shareholder return for 2014. The NGC Committee took this performance into account in making compensation decisions.

Compensation Philosophy and Objectives

The philosophy underlying our executive compensation program is to provide a competitive total compensation program tied to performance and aligned with the interests of our stockholders. Our objective is to recruit and retain high quality executives and staff necessary to deliver continuously high stockholder value. Our NGC Committee believes performance must always be evaluated and compared against the goals of the business and assessed in the context of the market and business conditions in which we operate.

In 2014, we used the following principles to implement our compensation philosophy and achieve our executive compensation program objectives:

Pay-for-performance. A portion of the total compensation of our executives is earned based on achievement of enterprise-wide goals that impact stockholder value. In 2014, we also emphasized achievement of individual performance goals to a greater degree due to emphasis on completing the Spin-Off.

Retention of top executives. Our executives should have base salaries and benefits that are competitive and permit us to attract, motivate and retain those executives who drive our success.

Reward long-term growth and focus management on sustained success and stockholder value creation. Compensation of our executives is heavily weighted toward long term equity-based incentives.

Align compensation with stockholder interests. The interests of our executives should be linked with those of our stockholders through the risks and rewards of the ownership of our common stock.

Competitive benefits and limited perquisites. We strive to provide competitive employee benefits and limited perquisites.

Although in this CD&A we describe our programs in the context of our executives, it is important to note our programs generally have broad eligibility and, therefore, in most cases apply to senior executive populations outside the NEOs as well. The most notable exception to this approach relates to those specific NEO one-time bonus, severance and retention payments described herein made in connection with the Spin-Off.

Achievement of 2014 Management Objectives

Post Spin-Off, we set out five major goals for the remainder of the year to create shareholder value. They were: (1) prudently grow Private Education Loan assets and revenues; (2) maintain our strong capital position; (3) complete necessary steps to permit the Bank to independently originate and service Private Education Loans; (4) continue to expand the Bank s capabilities and enhance risk oversight and internal controls;

and (5) manage operating expenses while improving efficiency and customer experience.

The following describes our performance relative to each of these goals.

Prudently Grow Private Education Loan Assets and Revenues

We continued to pursue managed growth in our Private Education Loan portfolio in 2014 by leveraging our Sallie Mae and Upromise brands and our relationships with more than two thousand colleges and universities while sustaining the credit quality of, and percentage of cosigners for, new originations. We originated $4.1 billion in new loans in 2014, compared with $3.8 billion in 2013. We also continued to help our customers manage their borrowings and succeed in their repayment, which we expect will result in lower charge-offs and provision for loan losses.

Maintain Our Strong Capital Position

The Bank s goal is to remain well-capitalized at all times. The Bank is required by its regulators, the UDFI and the FDIC, to comply with mandated capital ratios. The Company is a source of strength for the Bank. The Board of Directors and management evaluated the change in the Bank s ownership structure, the quality of assets, the stability of earnings, and the adequacy of the allowance for loan losses and believe that current and projected capital levels are appropriate at December 31, 2014. As of December 31, 2014, the Bank had a Tier 1 leverage ratio of 11.5 percent, a Tier 1 risk-based capital ratio of 15.0 percent and total risk-based capital ratio of 15.9 percent, exceeding the current regulatory guidelines for well capitalized institutions by a significant amount.

Complete Necessary Steps to Permit the Bank to Independently Originate and Service Private Education Loans

On April 30, 2014, we completed our plan to legally separate into two distinct publicly traded entities an education loan management, servicing and asset recovery business, Navient, and a consumer banking business, SLM Corporation. On October 13, 2014, we completed the operational separation of our servicing platforms and related personnel from Navient and launched our new customer service operation. At the time of this filing, the Bank continues to rely on Navient for loan origination capabilities provided under a transition services agreement entered into with Navient in connection with the Spin-Off. The key project remaining to complete the Bank s full separation from Navient is the separation of these origination functions. We are currently in the process of completing and testing a new loan originations platform. Our objectives are to implement, complete and begin use of the new loan originations platform in the first half of 2015. While the Bank is not at risk of losing access to Navient s originations platform for 2015 and beyond, completing the full separation of the Bank s operations from Navient resources is one of our top goals for 2015.

Continue to Expand the Bank s Capabilities and Enhance Risk Oversight and Internal Controls

Since the beginning of the year we have added approximately 720 employees to the Bank, primarily through transfers of the Company s or its subsidiaries existing employees, complemented by external hires. We have also undertaken significant work to establish that all functions, policies and procedures transferred to the Bank in the Spin-Off are sufficient to meet currently applicable bank regulatory standards. We continue to prepare for our expected growth and designation of the Bank as a large bank, which will result in enhanced regulatory scrutiny. For 2014, the following key initiatives have been completed.

Creation of Board-level Risk and Compliance Committees. In connection with the Spin-Off, we have created additional Board-level committees at the Company and the Bank to provide more focused resources and oversight with respect to the continuing development of our enterprise risk management functions and framework, as well as our consumer protection regulatory compliance management system.

Significant Additions to Management Team and Risk Functions. We hired a new Chief Executive Officer, Chief Audit Officer, and Chief Risk Officer, all with extensive experience in the banking and financial services industries. In 2014, we have doubled our Internal Audit staff through experienced external hires. In addition, our new Chief Risk Officer is in the process of enhancing the talent and capabilities of the Enterprise Risk Management organization.

Continuing Development of our Internal Controls Environment. During 2014, our management and Board of Directors reviewed and approved the Enterprise Risk Management Framework and Policy, the Risk Appetite Statement and related

Table of Contents

metrics, thresholds and limits. Our Chief Risk Officer is responsible for maintaining the Enterprise Risk Management Framework and its components across the organization to identify, remediate, control and monitor significant risks. Additionally, the internal risk oversight committee structure has been revised to achieve greater clarity and to consolidate decision making. Prior management committees have been incorporated into the Enterprise Risk Committee and its sub-committees.

Enhanced Compliance with Consumer Protection Laws. As part of our compliance with the terms of the 2014 FDIC Order discussed elsewhere, we made significant changes and enhancements to our compliance management systems and program in 2014. This work will be ongoing through 2015.

Enhanced Vendor Management Function. As part of the transition and development of the Bank s capabilities in connection with the Spin-Off, we undertook a full review and redesign of our vendor management function. While Navient will, over time, cease to be the Bank s dominant, third-party vendor, the number of third-party vendors on whom we rely and the volume of work we obtain from them has increased significantly.

Manage Operating Expenses While Improving Efficiency and Customer Experience

In 2014 we incurred the costs of the Spin-Off and related operational separation as well as expenses associated with having to add additional employees to fully staff up as a stand-alone company. Throughout this process we remained disciplined in our expenditures while making sure we are making the necessary investments to improve our customer experience. We will measure our effectiveness by our efficiency ratio. Our efficiency ratio is calculated as operating expense, excluding restructuring and other reorganization expenses, divided by net interest income after provision for loan losses and other income. For the year ended December 31, 2014 this ratio was 43 percent compared with 40 percent from the year-ago period. Our long-term objective is to achieve steady declines in this ratio over the next several years as the balance sheet and revenue grows to a level commensurate with our loan origination platform and we control the growth of our expense base.

Table of Contents

Elements of Compensation

The compensation program in 2014 for our NEOs consisted of seven elements. These elements, as well as the reasons why each was chosen and the ways in which each achieves our compensation objectives, are described below:

Compensation Element	Objective	Type of Compensation
Base salary	To provide a base level of cash compensation for senior executives based on level and responsibility.	Fixed cash compensation. Reviewed annually and adjusted as appropriate.
Annual incentive bonus	To encourage and reward senior executives for achieving annual corporate performance and individual goals.	Variable compensation. Primarily performance based. Payable in a combination of cash and Restricted Stock Units (RSUs). RSUs are subject to transfer restrictions and lapse in equal increments over a maximum of three years.
Long-term equity-based incentives	To motivate and retain senior executives by aligning their interests with that of stockholders through sustained performance and growth.	Multi-year variable compensation. Generally granted annually. Prior to the Spin-Off, NEOs received a combination of Performance Stock Units (PSUs) and stock options. The PSU amounts to be determined based on cumulative core earnings were converted to RSUs in connection with the Spin-Off. The stock options, as adjusted for the effects of the Spin-Off, remain outstanding. For additional information see Attachment B to this proxy statement. For post-Spin-Off 2014 awards and 2015 awards we intend to utilize RSUs ratably vesting over three years. The NGC Committee will reconsider the form of these long-term equity-based incentives for 2016. For additional information see section below titled Post-Spin-Off Changes to Executive Compensation.
Health, Welfare and Retirement benefits	To promote employee health and protect financial security.	Fixed compensation. Company subsidies and matching contributions, respectively.
Deferred Compensation Plan and Supplemental 401(k) Savings Plan	To provide retirement planning opportunities.	Provided Benefit. The Sallie Mae Deferred Compensation Plan (the Deferred Compensation Plan) and the Supplemental 401(k) Savings Plan offer a variety of investment choices, none of which represents an above-market return. We did not make contributions to the Deferred Compensation Plan on behalf of executives during 2014.
Severance benefits	To maintain continuity of management in light of major restructurings or after a change of control and provide temporary income following involuntary terminations of employment other than for cause.	Fixed cash compensation-based severance payments. Equity awards generally continue to vest on their terms after changes of control or involuntary terminations other than for cause. For more information, see Arrangements with NEOs Severance Plans below.
Perquisites	To provide business-related benefits to assist in attracting and retaining key executives.	Fixed compensation. Consists primarily of reimbursement of ordinary and reasonable business expenses, executive physical examinations and, in limited instances, automobile and temporary housing allowances.

How Our Compensation Decision Are Made

Participant	Roles
Board of Directors	Independent members establish Chief Executive Officer s compensation based on findings and recommendations of NGC Committee and Lead Independent Director. Receives report from NGC Committee with respect to annual Management Incentive Plan (MIP) target achievement and bonus pool funding.
NGC Committee	Sets annual MIP targets and approves NEO individual performance goals at the beginning of each year. Establishes annual long-term equity-based incentive plan for senior executives, including NEOs. Retains independent compensation consultant on annual basis. Establishes peer group for comparative compensation data purposes. Participates with Lead Independent Director in the annual performance and compensation review of the Chief Executive Officer and recommendation to the Board of Directors. Reviews and approves all aspects of NEO compensation. Certifies annual achievement of MIP targets, aggregate MIP bonus pool, and NEO individual performance goals.
Lead Independent Director	Participates in development and delivery of Chief Executive Officer s performance and compensation review.
NGC Committee Chair	Participates in development and delivery of Chief Executive Officer s performance and compensation review. Participates with Chief Executive Officer in final review and approval of all individual MIP and long-term incentive awards to all eligible senior executives other than NEOs.
Chief Executive Officer	Reviews performance of all other NEOs with NGC Committee and makes recommendations with regard to their salaries, bonuses and long-term incentive awards. Participates with NGC Committee Chair in final review and approval of all individual MIP and long-term incentive awards to all eligible senior executives other than NEOs.
Compensation Consultant	Assists the NGC Committee in the review and oversight of all aspects of our executive compensation programs, particularly as relates to the development and interpretation of peer group membership and compensation data and the design and implementation of executive compensation programs in light of prevailing regulatory and market practices.

Committee Interlocks and Insider Participation

All members of the pre-Spin-Off Compensation Committee and the current NGC Committee were or are independent directors, and no member was an employee of Sallie Mae. During 2014, none of our executive officers served on a compensation committee (or its equivalent) or board of directors of another entity whose executive officer served on the NGC Committee.

Table of Contents

Peer Group Analysis

To recruit and retain high-performing executives, our compensation program must be competitive with the compensation opportunities provided by companies with whom we compete for executive talent. The NGC Committee works with the independent compensation consultant to select a financial services peer group for purposes of identifying and considering comparative compensation data in determining compensation of our Chief Executive Officer and other NEOs. The current peer group being utilized for purposes of setting NEO compensation components for 2015 is as follows:

Peer Group	
Aircastle Limited	World Acceptance Corp.
EverBank Financial Corp.	Credit Acceptance Corp.
Prosperity Bancshares, Inc.	National Penn Bancshares, Inc.
Valley National Bancorp.	TAL International Group, Inc.
BankUnited, Inc.	East West Bancorp, Inc.
Hancock Holding Co.	Old National Bancorp
Signature Bank	UMB Financial Corp.

The NGC Committee believes it is appropriate to continuously monitor relative compensation amounts with respect to the same peer group used by management and the Board of Directors for financial performance comparisons, and given the unique business and growth outlook for the Company, this peer group likely remains subject to further review and revision.

Post-Spin-Off Changes to Executive Compensation

The NGC Committee has spent significant time in 2014 considering how to tailor our existing compensation programs to best retain and reward employees in light of the ongoing transformational changes precipitated by the Spin-Off, particularly with respect to the Company s senior executives, many of whom were recently promoted or hired. The Compensation Committee and the NGC Committee also considered the results of the annual say on pay advisory vote of stockholders, which received the approval of approximately 98 percent of the shares present in person or represented by proxy and entitled to vote on the matter at each of our 2013 and 2014 annual meetings of stockholders.

The following discussion summarizes the most significant changes to executive compensation implemented post-Spin-Off in 2014.

Increased Focus on Individual Performance Goals

After the Spin-Off, the NGC Committee adopted separate but similar MIPs for NEOs and senior executives (the Post-Spin-Off MIPs) maintaining the same general MIP format and corporate performance targets the Company has utilized historically, adjusted to reflect the Company s business outlook and plans for the remainder of 2014. However, the Post-Spin-Off MIPs place added emphasis on defining and achieving specific individual performance goals by business and operational area and attributes increasing percentages of total MIP compensation to achievement of those individual goals at descending levels of seniority.

The maximum bonus pool payable under our Post-Spin-Off MIPs for covered executives and our NEOs, respectively, are now equal to the sum of each participant s target bonus amount multiplied by a specified funding payout percentage. For purposes of insuring deductibility of compensation expense under section 162(m) of the U.S. Internal Revenue Code, the pool funding is determined by reference to a specific objective performance trigger. For 2014, the trigger was Core Earnings Per Share which was $0.42, resulting in the maximum MIP bonus pool funding. The NGC Committee then exercises discretion to further adjust a participant s MIP award amount to reflect relative achievement of the corporate targets contained in the Post-Spin-Off MIPs described below, as well as particular individual performance goals. The MIP bonus pool funding was not indicative of the actual awards made to participants.

Notwithstanding the bonus pool funding, the maximum award level that can be given to any covered executive, including any NEO, under the plans remains subject to final determination by the NGC Committee or its delegated subcommittee. MIP awards for our NEOs continue to be primarily determined using the corporate targets contained in the Post-Spin-Off MIP described below. Likewise, aggregate awards under the Post-Spin-Off MIPs were largely determined by reference to the Post-Spin-Off MIP metrics.

Table of Contents

Short-Term Stability in Long-Term, Equity-Based Incentive Awards

Prior to the Spin-Off, NEO long-term equity-based incentive awards consisted primarily of PSUs vesting and settling based on level of achievement of multi-year core earnings metrics, and stock options vesting over several years with vesting of a portion of the options subject to the achievement of pre-established stock price targets. For the remainder of 2014 and 2015, the NGC Committee determined to grant long-term, equity-based incentive awards to our NEOs and senior executives in time-vesting restricted stock units or RSUs vesting over a three year period. The NGC Committee s decision was based in part on the view that over the near term, establishing and improving the share price of the Company s Common Stock suitably aligns the interests of our investors and our management and also because of concerns that immediately introducing additional complexity and uncertainty into long-term performance targets could produce unacceptable retention risks among our senior executives, many of whom were recently promoted or hired.

The Spin-Off created a company with slightly more than ten percent of the total assets, liabilities and business of Old SLM, significantly altered the Company s market capitalization, and made meaningful one- and three-year historical comparisons to its own past performance or to the total shareholder returns of its peers challenging at best. It also resulted in significant complex changes to existing equity awards that, while intended to provide our executives the opportunity to share in the full value created by the Spin-Off at both the Company and Navient, also reallocated existing award values among Navient and SLM equity awards. Against this backdrop, the NGC Committee concluded that in the near term the uncertainties associated with setting long-term financially-based performance targets creates an unacceptable retention risk for our senior executives, many of whom were recently promoted or hired. The NGC Committee will continue to review performance-based compensation design in light of the Company s performance against its three-year plan in 2015 and reconsider the inclusion of more financially tailored long-term performance-based targets in equity-based incentive awards to be issued 2016.

Allocation of Compensation

The NEOs total compensation for 2014 consisted of annual base salaries, annual bonuses under the Pre- and Post-Spin-Off MIPs paid in cash and RSUs, special one-time bonuses associated primarily with the completion of the Spin-Off, and long-term incentive awards of RSUs. Set forth below are the percentages of total 2014 compensation allocated to annual base salaries, target annual bonuses under the Pre- and Post-Spin-Off MIPs and long-term incentive awards of RSUs for Mr. Quinlan and for Messrs. McGarry, Rocha and Dale as a group.

(1) Excludes one-off cash bonuses paid by Navient to the NEOs prior to the Spin-Off and special long-term incentive awards of time-vesting RSUs granted to Messrs. Quinlan and Dale in connection with their hiring.

(2) Excludes Messrs. Remondi and DePaulo, who departed Sallie Mae in 2014, and Mr. Lutz, whose employment agreement provides for a different compensation program intended to induce Mr. Lutz to remain with Sallie Mae long-term after the Spin-Off. Mr. Lutz s compensation is described in the section titled Arrangements with Named Executive Officers Employment Terms Mr. Lutz .

Table of Contents

Fixed compensation consists of the NEOs annual base salaries. Variable compensation consists of the annual bonuses under the Pre- and Post-Spin-Off MIPs, and the long-term incentive RSU awards that vest over a three-year period provided the NEO remains employed by Sallie Mae or Navient, as the case may be.

Chief Executive Officer Compensation Summary

On January 16, 2014, Raymond J. Quinlan became our Vice Chairman, and was appointed to the Boards of Directors of the Company and the Bank. Mr. Quinlan assumed the roles of Chairman of the Board of Directors and Chief Executive Officer of both of the Company and the Bank, effective upon the Spin-Off.

For 2014, the material financial terms of Mr. Quinlan s employment are as follows:

- An annual base salary of $600,000.

- An annual target bonus of 150 percent of base salary. Mr. Quinlan fully participated in both the Pre- and Post- Spin-Off MIPs and received aggregated bonuses amounting to $1,350,000 thereunder, payable 50 percent in cash and 50 percent in RSUs with transfer restrictions that lapse in one-third increments on each of the next three anniversaries of their issuance.

- A Spin-Off related bonus of $60,000.

- A long-term equity-based incentive award with a grant value of approximately $2,270,000, which took the form of RSUs two-thirds of which were granted on February 4, 2014 and one-third of which was granted on May 1, 2014.

- A one-time signing equity grant of RSUs in the amount of $1,300,000 issued on January 21, 2014 that vest in one-third increments on December 31, 2014, 2015, and 2016.

Named Executive Officers

For the fiscal year ended December 31, 2014, our named executive officers (NEOs) were:

- Raymond J. Quinlan, *Chairman of the Board of Directors and Chief Executive Officer*;

- Laurent C. Lutz, Jr., *Executive Vice President, General Counsel and Corporate Secretary*;

- Steven J. McGarry, *Executive Vice President and Chief Financial Officer*;

- Charles P. Rocha, *Executive Vice President and Chief Marketing Officer;*

- Jeffrey F. Dale, *Senior Vice President and Chief Risk Officer;*

John F. Remondi, *Former President and Chief Executive Officer;* and

Joseph A. DePaulo, *Former Executive Vice President of Banking and Finance.*

Upon the Spin-Off, on April 30, 2014, Mr. Remondi resigned as our President and Chief Executive Officer to assume the same positions at Navient, and Mr. Quinlan became our Chairman of the Board of Directors and Chief Executive Officer.

On June 13, 2014, Mr. DePaulo exercised his right to terminate his employment for Good Reason, pursuant to the terms of the Company s existing Executive Severance Plan for Senior Officers and resigned as a member of the Board of Directors. In connection with his termination of employment, Mr. DePaulo received a cash severance payment of $1,752,809 consisting of the severance provided pursuant to the terms of the Executive Severance Plan and $469,409 paid in connection with his Pre-Spin-Off 2014 MIP bonus. In accordance with the terms of his outstanding equity awards, Mr. DePaulo s termination of employment was treated as a termination without misconduct, and his equity awards continue to vest pursuant to the terms of the applicable award agreements.

Mr. Lutz remained an NEO for the entire year. Mr. McGarry was promoted from Senior Vice President Corporate Finance and Investor Relations to Executive Vice President and Chief Financial Officer in connection with the Spin-Off. Mr. Rocha and Mr. Dale were both designated as NEOs subsequent to the Spin-Off by the NGC Committee and the Board of Directors.

2014 Management Incentive Plans: Pre- and Post-Spin-Off

The Compensation Committee established a Pre-Spin-Off 2014 MIP that was applied for the four months ended April 30, 2014 and our NGC Committee then established a Post-Spin-Off 2014 MIP for the eight-month period beginning May 1, 2014 and ending December 31, 2014.

For the Pre-Spin-Off 2014 MIP, five corporate performance goals were utilized in establishing the plan. Those goals entailed the following:

- Core Earnings[3] (for the Pre-Spin-Off 2014 MIP);
- Core Earnings Per Share (for the Post-Spin-Off 2014 MIP);
- Private Education Loan originations;
- Operating expenses;
- Private Education Loan delinquency rates; and
- Private Education Loan charge-offs.

Minimum, target, and maximum achievement levels were set for each performance goal and a weight assigned to each performance goal based on its relative importance to the Company s overall operating plan.

As previously noted, the NGC Committee has placed added emphasis on valuing achievement of individual performance goals. Therefore, the Post-Spin-Off MIP used Core EPS as the performance goal for establishing its funding pool, and a combination of corporate and individual performance goals were used to guide the NGC Committee in its exercise of downward discretion for determining the final awards to the NEOs. Minimum, target, and maximum achievement levels were set for the Core EPS performance goal. The Core EPS target for the Post-Spin-Off MIP funding was $0.42. The Post-Spin-Off MIP used the same five corporate performance goals as the Pre-Spin-Off MIP with achievement levels and weightings determined separately by the NGC Committee post-Spin-Off.

Consequently, 2014 MIP awards for our NEOs must be computed with reference to both Pre-and Post-Spin-Off 2014 MIPs, as well as additional amounts attributable to achievement of individual performance goals.

[3] For a description of how we calculate Core Earnings and for a reconciliation of Core Earnings to the nearest comparable GAAP measure, see Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations Core Earnings in the Company s 2014 Form 10-K.

42

Table of Contents

Pre-Spin-Off MIP Computations

In early 2014, the Compensation Committee and our then Chairman of the Board of Directors reviewed our relative achievement of each of the previously identified corporate performance goals approved by the Compensation Committee and after discussions with our then Chief Executive Officer determined the aggregate achievement of the corporate performance goals was attained at a level of 113.5 percent of the targets set under the Pre-Spin-Off MIP. Our total performance score of 113.5 percent was determined based on the level of achievement of each corporate performance goal multiplied by the applicable weighting for such goal. The following chart provides more information regarding the key components and computations under the plan.

Corporate Performance Goal	Pre-Spin-Off Target	Pre-Spin-Off Actual Performance	Pre-Spin-Off Award Factor	Pre-Spin-Off Weighting	Corporate Pre-Spin-Off Performance Score
Core Earnings	$ 0.523	$ 0.55	118.0%	35.0%	41.3%
Private Credit Loan Originations	$ 1,500 million	$ 1,530 million	110.0%	25.0%	27.5%
Operating Expenses (net of reorganization expenses)	$ 255 million	$ 263 million	84.3%	15.0%	12.6%
Traditional Private 90+ Day Delinquency	3.20%	2.91%	129.0%	12.5%	16.1%
Traditional Private Charge-Offs	$ 177 million	$ 166 million	127.5%	12.5%	15.9%
Total					113.5%

Applying the corporate performance score of 113.5 percent to the bonus target set for each NEO produced the bonus payments under the Pre-Spin-Off MIP set forth below.

Named Executive Officer	Target Bonus as % of Base Salary	2014 Full Year Target Bonus $ Amount	2014 Pre-Spin-Off Target Bonus $ Amount*	2014 Pre-Spin-Off Bonus Payment at 113.5% of Target Bonus
Mr. Quinlan	150%	$ 900,000	$ 295,890	$ 335,836
Mr. McGarry	125%	$ 468,750	$ 154,110	$ 174,914
Mr. Lutz	150%	$ 787,500	$ 258,904	$ 293,856
Mr. Dale	100%	$	$	$
Mr. Rocha	125%	$ 468,750	$ 154,110	$ 174,914
Mr. Remondi	150%	$ 500,000**	$ 500,000	$ 567,500
Mr. DePaulo	150%	$ 262,500**	$ 262,500	$ 297,938

* Amounts are pro-rated based on the four-month period beginning January 1, 2014 and ending April 30, 2014.

** Full year target amounts for Messrs. Remondi and DePaulo are pro-rated based on eligibility ending April 30, 2014.

Messrs. Quinlan, McGarry, Remondi, DePaulo and Lutz s Pre-Spin-Off 2014 MIP awards were paid 50 percent in cash and 50 percent in vested RSUs. Mr. Rocha s Pre-Spin-Off 2014 MIP award was paid 80 percent in cash and 20 percent in vested RSUs. The vested RSU portions of the NEOs 2014 MIP awards carry transfer restrictions that lapse in equal increments over the next three years.

Post-Spin-Off MIP Computations

In January and February 2015, the NGC Committee and the Lead Independent Director reviewed our relative achievement of the previously identified bonus pool funding and corporate performance goals approved by the NGC Committee and, after discussions with our Chief Executive Officer, determined that for the eight months ended December 31, 2014 the bonus pool funding should be at the maximum level and the aggregate achievement of the corporate performance goals was attained at a level of 95.5 percent of the targets set under the Post-Spin-Off MIP.

Table of Contents

To determine final awards, the NGC Committee exercised downward discretion from the bonus pool funding level to reduce the NEOs bonus payouts under the 2014 Post-Spin-Off MIP funding pool to more precisely correlate the achievement of both corporate and individual performance goals. Our corporate performance score of 95.5 percent was determined based on the level of achievement of each corporate performance goal multiplied by the applicable weighting for such goal. The following chart provides more information on the computation of this score.

Corporate Performance Goal	Post-Spin-Off Target	Post-Spin-Off Actual Performance	Post-Spin-Off Award Factor	Post-Spin-Off Weighting	Post-Spin-Off Corporate Performance Score
Core Earnings Per Share	$ 0.420	$ 0.422	101.1%	35%	35.4%
Private Education Loan Originations	$ 4,000 million	$ 4,076 million	108.4%	25%	27.1%
Operating Expenses (net of reorganization expenses)	$ 280 million	$ 278.2 million	102.2%	25%	25.6%
Private 60+ Day Delinquency (as a % of loans in repayment)	0.38%	0.77%	0.0%	10%	0.0%
Gross Private Defaults	$ 22.0 million	$ 14.4 million	150.0%	5%	7.5%
Total					95.5%

Applying the corporate performance score of 95.5 percent and the NGC Committee s assessment of NEO individual achievement, the bonus payment to each NEO under the Post-Spin-Off 2014 MIP and their components are set forth below. Messrs. Remondi and DePaulo departed Sallie Mae in 2014 and therefore were not eligible for bonus payments under the Post-Spin-Off 2014 MIP. Pursuant to his employment agreement, Mr. Lutz is not eligible for participation in the Post-Spin-Off 2014 MIP.

Named Executive Officer	% of Base Salary	2014 Full Year Target Bonus $ Amount	2014 Post-Spin-Off Target Bonus $ Amount*	2014 Post-Spin-Off Corporate Performance Bonus Component	2014 Post-Spin-Off Individual Performance Bonus Component	2014 Post-Spin-Off Total Bonus
Mr. Quinlan	150%	$ 900,000	$ 604,110	$ 461,540	$ 552,625	$ 1,014,165
Mr. McGarry	125%	$ 468,750	$ 314,640	$ 240,385	$ 149,700	$ 390,086
Mr. Lutz		$ 787,500	$	$	$	$
Mr. Dale	100%	$ 400,000	$ 350,000	$	$	$ 350,000
Mr. Rocha	125%	$ 468,750	$ 314,640	$ 240,385	$ 169,700	$ 410,086

* Amounts are pro-rated based on the eight-month period beginning May 1, 2014 and ending December 31, 2014.

** Mr. Dale s offer letter states that he is eligible to participate in the 2014 MIP and has a guaranteed minimum bonus of $350,000.

Messrs. Quinlan and McGarry s Post-Spin-Off 2014 MIP awards were paid 50 percent in cash and 50 percent in vested RSUs. Mr. Dale s Post-Spin-Off 2014 MIP award was paid 60 percent in cash and 40 percent in vested RSUs. Mr. Rocha s Post-Spin-Off 2014 MIP award was paid 60 percent in cash and 40 percent in vested RSUs. The vested RSU portions of the NEOs 2014 MIP awards carry transfer restrictions that lapse in equal increments over the next three years.

Individual Performance of NEOs Post-Spin-Off 2014 MIP

In its January and February 2015 meetings, the NGC Committee, our Lead Independent Director, and our compensation consultant reviewed current and proposed compensation, including long-term incentive awards, for the Company s NEOs compared to the Peer Group. In establishing NEO compensation, the NGC Committee reviewed the individual performance of our NEOs, including how their performance contributed to the achievement of 2014 management objectives.

The 2014 Post-Spin-Off individual performance bonus components set forth in the table above for Messrs. Quinlan, McGarry and Rocha reflect in part their unique, one-time contributions to the successful execution of significant transition projects post-Spin-Off in 2014. These projects included the full separation of our servicing and collections capabilities from Navient, the sale of approximately $1.1 billion in Private Education Loans and exceeding our 2014 Private Education Loan

Table of Contents

origination targets even as the preparation, execution and completion of the Spin-Off were occurring. These transition bonuses were intended by the NGC Committee to be comparable in purpose and significance to those Spin-Off-related payments previously made by the Compensation Committee to Messrs. Remondi, Lutz and DePaulo for their contributions to the design and execution of the Spin-Off and their additional responsibilities and contributions to the Company in 2014. For a detailed description of these Spin-Off related payments, see below at Compensation Discussion & Analysis Spin-Off Related Payments .

Named Executive Officer	% of Base Salary	2014 Full Year Target MIP Bonus $ Amount	2014 Total MIP Bonus	2014 Total Bonus as % of Target Bonus	Additional Spin-Off Related Bonuses
Mr. Quinlan	150%	$ 900,000	$ 1,350,000	150%	$ 60,000
Mr. McGarry	125%	$ 468,750	$ 565,000	121%	$ 27,500
Mr. Lutz	150%	$ 787,500	$ 293,856		$ 500,000
Mr. Dale	100%	$ 400,000	$ 350,000		
Mr. Rocha	125%	$ 468,750	$ 585,000	125%	$ 32,500
Mr. Remondi	150%	$ 500,000	$ 567,500		$ 200,000
Mr. DePaulo	150%	$ 262,500	$ 297,938		$ 400,000

Long-Term Incentive Programs

In early February 2014, the Compensation Committee approved 2014 long-term incentive awards for our then NEOs. On February 4, 2014 two-thirds of these awards were issued in the form of RSUs that were converted at the time of the Spin-Off into RSUs relating solely to the common stock of the NEO s post-Spin-Off employer. While approved in amount, the timing and form of the remaining one-third of the value of the awards was left to the Navient and Company successors to the Compensation Committee to determine. The Company subsequently granted the remaining one-third of the 2014 awards immediately after the Spin-Off

In the fall of 2014, the NGC Committee took up the matter of the design of the Company s first, post-Spin-Off long-term incentive plan to be utilized in 2015. As previously described, the NGC Committee determined to utilize RSUs vesting in one-third increments over each of the three anniversaries of the grant dates of the RSUs. The NGC Committee also determined to review and consider alternative forms of long-term, equity-based incentive awards for 2016 after full completion of the post-Spin-Off transition. On February 10, 2015, the NGC Committee granted each of our eligible NEOs long-term incentive awards for 2015.

All of the annual long-term incentive awards granted for 2014 and 2015 are described in the tables below.

Named Executive Officer	2014 LTIP RSUs	2015 LTIP RSUs
Mr. Quinlan	$ 2,270,000	$ 3,000,000
Mr. McGarry	$ 450,000	$ 480,000
Mr. Lutz	$ 1,793,000	
Mr. Rocha	$ 400,000	$ 375,000
Mr. Dale		$ 300,000
Mr. Remondi	$ 3,500,000(1)	
Mr. DePaulo	$ 2,268,000	

(1) Paid by Navient.

Pursuant to the terms of his employment arrangement, Mr. Lutz is not eligible for a long-term incentive award in 2015.

Conversion of Performance Stock Units

At the time of the Spin-Off, each outstanding Old SLM PSU award granted under prior long-term incentive plans was converted to equal numbers of RSUs of the Company and Navient by reference to the performance metrics previously established for that award, which are set forth below. As of the date of the Spin-Off, the Compensation Committee evaluated

Table of Contents

our actual and projected performance (determined as if the Spin-Off did not occur) compared to the performance goals previously established by such committee for each set of awards for all participants, including the expected Navient and Old SLM NEOs. Achievement of performance goals was determined by reference to our actual performance through March 31, 2014 and projected performance over the remaining performance period (based on the most current projections as of the Spin-Off date). Once the level of estimated achievement of the performance metrics was determined, each PSU award was converted into an RSU, which was then adjusted for the Spin-Off, resulting in the NEOs receiving an equivalent number of Company and Navient RSUs. The RSUs will vest at the end of the original performance period for the PSUs they replace, subject to continued employment by the holder as required under the original PSUs.

	Cumulative Core Earnings Goals	Threshold< Target & Maximum Vesting Levels	Cumulative Core Earnings Achieved[1]	Estimated Achievement Level	Payout Level
2012 Performance Stock Units	> $2.6 billion	50%			
	$3.3 billion	100%	$ 3.295 billion	99.85%	99.75%
	³ $3.6 billion	130%			
2013 Performance Stock Units	> $2.7 billion	50%			
	$3.4 billion	100%	$ 3.249 billion	95.55%	92.61%
	³ $3.7 billion	130%			

(1) Performance for the 2012 Performance Stock Units was based on actual performance through March 31, 2014 and projected performance from April 1, 2014 through December 31, 2014. For the 2013 Performance Stock Units, performance was based on actual performance through March 31, 2014 and projected performance from April 1, 2014 through December 31, 2015.

Based on these results, Messrs. Lutz, Remondi and DePaulo received the following Company RSU awards on April 21, 2014:

Named Executive Officer	RSUs in respect of 2012 Performance Stock Units[1]	RSUs in respect of 2013 Performance Stock Units[1]
Mr. Lutz	61,988	63,804
Mr. Remondi[2]	99,626	90,052
Mr. DePaulo	84,128	80,707

(1) As adjusted for the Spin-Off.

(2) These RSUs were for the account of Navient.

Spin-Off Related Payments

On April 7, 2014, in contemplation of the Spin-Off, the Compensation Committee approved the following cash payments to the Company s NEOs in recognition of their contributions toward the pending separation:

John F. Remondi, President and Chief Executive Officer $200,000;

Joseph A. DePaulo, Executive Vice President, Banking and Finance $150,000;

Laurent C. Lutz, Jr., Executive Vice President, General Counsel and Corporate Secretary $150,000; and

Raymond J. Quinlan, Vice Chairman $60,000.

The Compensation Committee also approved for Messrs. DePaulo and Lutz additional cash bonuses of $250,000 and $350,000, respectively, in recognition of additional responsibilities and contributions made to the Company during 2014.

Each of the aforementioned cash bonuses was paid immediately prior to the separation and were for the account of Navient.

Table of Contents

On April 7, 2014, in contemplation of the Spin-Off, the Compensation Committee also approved the following cash payments to Mr. McGarry and Mr. Rocha, to be made immediately after the Spin-Off, in recognition of their contributions toward the successful completion of the Spin-Off:

- Steven J. McGarry, Executive Vice President and Chief Financial Officer $27,500; and

- Charles P. Rocha, Executive Vice President and Chief Marketing Officer $32,500.

These payments to Mr. McGarry and Mr. Rocha were made after the Spin-Off and were for the Company s account.

Additionally, the Compensation Committee approved an additional cash award of $60,000 to each non-employee director of the Company in recognition of their increased obligations over the preceding year relative to the completion of the separation. See the section titled Director Compensation.

Other Arrangements, Policies and Practices Related to Executive Compensation Programs

Share Ownership Guidelines

As of December 31, 2014, the guidelines for beneficial ownership of our common stock, which are expected to be achieved over a five-year period from date of hire, election or appointment, were as follows:

- Chief Executive Officer lesser of 1 million shares or $5 million in value;

- Executive Vice President lesser of 200,000 shares or $1 million in value; and

- Senior Vice President Lesser of 70,000 shares or $350,000 in value.

The guidelines encourage continued beneficial ownership of a significant amount of our common stock acquired through equity awards and help align the interests of senior executives with the interests of our stockholders. Executives generally must hold all common stock acquired through equity grants until the applicable thresholds are met, and an executive will not be eligible to receive further equity grants for the year if he or she sells this stock and such sale would result in a decrease below the established thresholds.

All current NEOs were in compliance with the share ownership guidelines as of December 31, 2014 or are expected to achieve compliance within the applicable five-year period.

Hedging Prohibition

We prohibit directors and senior management from selling Common Stock short; buying or selling call or put options or other derivatives; or entering into other transactions that have the effect of hedging the economic value of any of their beneficial ownership of our shares.

Clawback

Awards made to executives, including our NEOs, under the SLM Corporation 2012 Omnibus Incentive Plan (the 2012 Plan) are subject to clawback in the event of a material misstatement of our financial results and other events.

Tax Information: Section 162(m) of the Code: Tax Deductibility of Compensation over $1 million

Section 162(m) of the Code (Section 162(m)) can potentially disallow a federal income tax deduction for compensation over $1 million paid to the Chief Executive Officer and three other highest paid NEOs (excluding the Chief Financial Officer) who were serving as of the last day of our fiscal year. One exception to Section 162(m) s disallowance of a U.S. federal income tax deduction for compensation over $1 million applies to performance-based compensation paid pursuant to stockholder-approved plans. Although much of the compensation opportunity in our executive compensation program historically has been performance-based and generally deductible for U.S. federal income tax purposes, the NGC Committee retains the flexibility to award compensation to the NEOs that is not deductible for U.S. federal income tax purposes.

Table of Contents

All outstanding long-term incentive awards including the awards granted to the NEOs in 2014 were adjusted in connection with the Spin-Off. See Attachment B to this proxy statement for additional information.

Effects of the Spin-Off on Outstanding Equity Awards

As previously described in the Compensation Discussion & Analysis section of the Company s definitive proxy statement for last year s annual meeting of stockholders, the Spin-Off had significant ramifications with respect to the Company s outstanding equity awards. See Attachment B to this proxy statement for additional information.

Nominations, Governance, and Compensation Committee Delegation of Authority

Our 2012 Omnibus Incentive Plan (the 2012 Plan) permits the NGC Committee to delegate any of its authority to grant awards to employees who are not subject to Section 16(b) of the Exchange Act, to the Board of Directors or to any other committee of the Board of Directors, provided such delegation is made in writing and specifically sets forth such delegated authority. The NGC Committee has delegated limited authority to a committee consisting of our Chairman of the Board of Directors and Chief Executive Officer and the Chair of the NGC Committee to approve bonuses, including restricted stock units, paid under the 2014 Pre-Spin-Off MIP and the 2014 Post-Spin-Off MIP to non-NEO employees. The NGC Committee has also delegated limited authority to our Chairman of the Board of Directors and Chief Executive Officer to make grants to new hires who are not subject to Section 16(b) of the Exchange Act. Neither committee is permitted to grant awards to our NEOs or persons subject to Section 16(b) of the Exchange Act.

Table of Contents

SUMMARY COMPENSATION TABLE

The table below summarizes compensation paid or awarded to or earned by each of the NEOs for the fiscal years ended December 31, 2014, December 31, 2013 and December 31, 2012. We are responsible for all compensation expense related to salaries, equity awards and annual bonuses paid or payable for 2014 to the NEOs that remained with us after the Spin-Off, with the exception that Navient was responsible for all one-time cash bonuses paid to those NEOs prior to the Spin-Off.

Name and Principal Position	Year	Salary ($)	Bonus ($)(6)	Stock Awards ($)(7)	Option Awards ($)(7)(8)	Non-Equity Incentive Plan Compensation ($)(9)