

SLM Corporation Board of Directors Policy on Related Party Transactions

Policy

It is the policy of the Board of Directors of SLM Corporation (the "Corporation") that all Interested Transactions with Related Parties, as those terms are defined in this Policy, will be at arm's length and on terms generally available to an unaffiliated third-party under the same or similar circumstances.

Except for the limited exceptions set forth in this Policy, Interested Transactions with Related Parties that will exceed \$120,000 in any calendar year must receive approval of the Board of Directors prior to the Corporation entering into the Interested Transaction.

Procedures

A Related Party must promptly notify the Corporate Secretary of any material interest that the Related Party may have in a proposed Interested Transaction. The Corporate Secretary will promptly notify the Chair of the Audit Committee of such proposed Interested Transaction. The Chair of the Audit Committee will determine if approval of the Interested Transaction under this Policy is required.

If approval under this Policy is required, the Audit Committee will review the material facts of the proposed Interested Transactions and make a recommendation to the Board of Directors regarding whether to approve or disapprove entering into the Interested Transaction. The Audit Committee and the Board will take into account whether the Interested Transaction with a Related Party is on terms no less favorable than terms generally available to an unaffiliated third-party under the same or similar circumstances.

No director will participate in any discussion or approval of an Interested Transaction for which he or she is a Related Party or whose immediate family member is a related party, except that the director may provide information on the Interested Transaction to the Audit Committee and the Board.

Definitions

An "Interested Transaction" is any transaction or series of related transactions in which the Corporation is a participant and any Related Party has or will have a direct or indirect interest (other than solely as a result of being a director or a less than 10 percent beneficial owner of another entity).

A "Related Party" is any executive officer, director, nominee for election as a director, greater than 5 percent beneficial owner of the Corporation's common stock, or immediate family member of any of the foregoing persons or entity. Immediate family member includes a person's spouse, parents, stepparents, children, stepchildren,

siblings, mothers- and fathers-in-law, sons- and daughters-in-law, and brothers- and sisters-in-law and anyone residing in such person's home (other than a tenant or employee).

Standing Pre-Approval for Certain Interested Transactions

The following Interested Transactions are deemed to be pre-approved by the Board:

- Loans made by the Corporation to a Related Party that are made in the ordinary course of the Corporation's business and on substantially the same terms, including interest rate and collateral, as those prevailing at the time for comparable loans with persons not related to the Corporation, and that did not involve more than the normal risk of collectibility or present other unfavorable features;
- The initial hiring and on-going employment in a non-executive position with the Corporation of an immediate family member of an executive officer, director, nominee for election as a director or a greater than 5 percent beneficial owner of the Corporation's common stock;
- Any employment by the Corporation of or a transaction with an executive officer of the Corporation if:
 - the related compensation is required to be reported in the Corporation's proxy statement under Item 402 of the SEC's compensation disclosure requirements; or
 - the executive officer is not an immediate family member of another executive officer or director of the Corporation, the related compensation would be reported in the Corporation's proxy statement under Item 402 of the SEC's compensation disclosure requirements if the executive officer was a "named executive officer" (as defined under such requirements), and the Corporation's Compensation Committee approved (or recommended that the Board approve) such compensation.
- Any compensation paid to a director if the related compensation is required to be reported in the Corporation's proxy statement under Item 402 of the SEC's compensation disclosure requirements;
- A transaction with another company at which an executive officer, director, nominee for election as a director, or a greater than 5 percent beneficial owner of the Corporation's common stock is an employee if the aggregate amount involved does not exceed the greater of \$1,000,000, or 2 percent of that company's total annual revenues;
- A transaction with another company at which an immediate family member of an executive officer, director, nominee for election as a director, or a greater than 5 percent beneficial owner of the Corporation's common stock is an executive officer if the aggregate amount involved does not exceed the greater of \$1,000,000, or 2 percent of that company's total annual revenues;
- Charitable contributions, grants or endowments by the Corporation to a charitable organization, foundation or university where a Related Party is an employee if the aggregate amount involved does not exceed the greater of \$1,000,000, or 2 percent of the charitable organization's total annual receipts;

- An Interested Transaction where the rates or charges involved are determined pursuant to a competitive process; and
- An Interested Transaction where the Related Party's interest arises solely from the ownership of the Corporation's common stock and all holders of the Corporation's common stock received the same benefit on a *pro rata* basis.

Co-ordination of this Policy with the Corporation's Code of Business Conduct

This Policy, as opposed to the Code of Business Conduct, applies to Interested Transactions with Related Parties required to be approved under this Policy. Transactions with Related Parties not required to be approved under this Policy continue to be subject to the Corporation's Code of Business Conduct.