

## **Purpose**

As part of Sallie Mae's Compliance Management Program, the Code of Business Conduct Program (Code Program) establishes the framework pertaining to the expectation that employees act ethically and in full compliance with company policies and procedures, and all applicable laws, rules and regulations. The Code Program consists of:

- The Code of Business Conduct (Code) - The Code is the foundation of Sallie Mae's Corporate Code of Business Conduct Program. The Code establishes standards for compliance and ethical behavior for all employees, officers, directors, and consultants. The Code is supplemented by policies and procedures that provide more detailed guidance on specific compliance requirements. The Code of Business Conduct is posted on the company website as well as the employee intranet website and is incorporated herein by reference. The Code of Conduct Compliance Officer reviews the Code on a periodic basis (not less than annually) and develops proposed revisions to the Code, if any, as necessary based on applicable changes in law or business operations, or as otherwise recommended by the Chief Compliance Officer or General Counsel. Material revisions to the Code are submitted to the Compliance Committee for review and approval. If approved by the Compliance Committee, the proposed revisions are submitted to the SLM Corporation Board of Directors for approval.
- This Corporate Code of Business Conduct Policy (Code Policy) – The Code Policy sets forth the framework for administering the Code Program, including a training component designed to ensure that all individuals subject to the Code are aware of their responsibilities under the Code Program, and a commitment to investigate actual or suspected violations of the Code and follow the designated reporting requirements with regard to all such allegations and corresponding investigations. Material revisions to the Code Policy are submitted to the Compliance Committee for review and approval. If approved by the Compliance Committee, the proposed revisions are submitted to the SLM Corporation Board of Directors for approval.
- The Code of Business Conduct Procedures (Code Procedures) – The Code Procedures set forth the detailed processes used to implement the Code Policy. The Code Procedures are established and amended from time to time by the Sallie Mae Compliance Office.

## **Applicability**

The Code Program applies to all employees, officers and directors of all Sallie Mae companies, including all direct and indirect subsidiaries of SLM Corporation (referred to collectively as Sallie Mae or the company), as well as consultants hired by Sallie Mae.

## **Policy**

### **Training**

The purpose of Code of Business Conduct training is to ensure that all persons subject to the Code are aware of the requirements under the Code, Sallie Mae's practices and procedures related to the Code, and the resources that Sallie Mae makes available in the event of a question pertaining to, or suspected violation of, the Code. Individuals subject to the Code are required to attend Code training upon commencement of employment with Sallie Mae and on a periodic basis thereafter, as more fully described in the Compliance Training Program. As further described in the Sallie Mae Compliance Training Policy, individuals subject to the Code are required to (i) sign an attestation indicating that they have read the Code, understand the Code requirements and agree to abide by the Code, and (ii) on an annual basis, sign a certification regarding compliance with the Code. Online attestation or certification is acceptable.

The Code of Conduct Compliance Officer is responsible, in coordination with the Human Resources Department, for recording, tracking and reporting compliance with the Code training requirements, all as further described in the Code Procedures.

### **Anti-Fraud**

Sallie Mae does not tolerate any type of fraudulent conduct. The term “fraud” as used herein means the intentional, false representation or concealment of a material fact for the purpose of inducing another party to act upon it to such other party’s injury, and includes, but is not limited to, fraudulent financial reporting, misappropriation of company property and other financial irregularities. Examples of typical frauds are listed below. These are examples only and do not include every possible instance of fraud.

- Diverting payment from third parties to an individual instead of the company.
- Forging or altering negotiable instruments such as company checks and drafts.
- Knowingly submitting false expense claims.
- Unauthorized procuring of payment by the company for personal purchases.
- Converting to personal use, or other misappropriation of, cash, securities, supplies or any other company asset.
- Unauthorized handling or reporting of company transactions.
- Schemes where the company commits a fraud against its employees or third parties.
- Improperly avoiding an expense (e.g., tax fraud).
- Unauthorized related party transactions.
- Illegal acts and noncompliance with laws, rules and regulations.
- Falsifying borrower loan records or other company books and records.
- Intentional errors in the recording and maintenance of financial records of the company.
- Authorizing or receiving payment for goods not received or services not performed.

Incidents of suspected fraud will be investigated promptly in accordance with the “Investigations and Reporting” section of this Policy.

Management is responsible for establishing policies and procedures designed to prevent and detect fraud at Sallie Mae, for example the Code of Business Conduct, sound hiring practices with background investigations, the Code of Conduct Helpline, segregation of duties, and monitoring activity, along with appropriate oversight by the Risk Committee of the Sallie Mae Bank Board of Directors. In addition, the Internal Audit Department performs an annual fraud risk assessment to identify the major categories of potential fraud and performs periodic fraud related testing/audits.

### **Reporting of Allegations of Violations of the Code**

Sallie Mae fosters an environment of open communication surrounding compliance standards and procedures, as well as issues of potential non-compliance. The Code provides instruction regarding an employee’s responsibility to report potential violations of the Code to one of the several internal resources described in the Code, including the Sallie Mae Code of Conduct Helpline, which is a toll free number available 24 hours a day, 7 days a week for all employees to ask questions regarding the Code or to report actual or suspected noncompliance with the Code, including making such reports on an anonymous basis.

### **Investigation and Reporting**

Sallie Mae recognizes that violations of the Code threaten Sallie Mae’s reputation as a trustworthy corporate citizen with its shareholders, customers and general public. All allegations are taken seriously and are investigated on a timely basis. All employees are required to be fully cooperative and completely honest and forthcoming in the course of any investigation.

The Chief Compliance Officer receives suspected or known violations of the Code via the Code of Conduct Compliance Officer, the Code of Conduct Helpline, a colleague or a third party. The Chief Compliance Officer must receive prompt notification of the following:

- Evidence of any actual, potential or suspected violation of an applicable state or federal law, or any breach of fiduciary duty by Sallie Mae, its directors, officers, employees or agents;
- Incidents of theft over \$10,000 in value;
- Incidents of suspected significant fraud (more than \$25,000 of estimated loss), and any fraud, whether material or not, that involves management or other employees who have a significant role in the company’s internal controls; and
- Any allegation that involves a Sensitive Complaint (as defined below).

### **Sensitive Complaints and Investigations**

If the Chief Compliance Officer, Code of Conduct Compliance Officer or any other employee receives a complaint that he or she believes may be a Sensitive Complaint, he or she will forward that complaint immediately to the General Counsel in a manner that clearly identifies the matter as a potential Sensitive Complaint. A Sensitive Complaint is a complaint containing allegations that:

- Concern improprieties in accounting, auditing, financial record keeping or internal accounting controls;
- Involve conduct of executive officers (i.e., corporate officers at or above the Senior Vice President level);
- Have realistic potential to cause significant financial, legal or regulatory consequences for the company; or
- Concern systemic criminal conduct not otherwise covered by one of the above categories.

In the event that it is not clear whether or not a specific complaint falls within the definition of a Sensitive Complaint, the Chief Compliance Officer or the Code of Conduct Compliance Officer shall consult with the General Counsel to make such determination.

The General Counsel or his designee shall review all Sensitive Complaints. Promptly following receipt, the General Counsel shall report the existence and substance of any Sensitive Complaint to the Chair of the Risk Committee of the Sallie Mae Bank Board of Directors and to such other Chair of the Committee(s) of the Sallie Mae Bank Board of Directors as the General Counsel and Chair of the Risk Committee of the Board of Directors determines appropriate given the content of the Sensitive Complaint.

The General Counsel or his designee shall determine, in consultation with such Committee Chair(s), the necessity of an investigation on a case-by-case basis. If it is determined that an investigation is warranted, the General Counsel shall determine, in consultation with the such Committee Chair(s), whether the General Counsel, Corporate Compliance or some other resource, including outside counsel if deemed appropriate, shall oversee an investigation and the extent and timing of any report to the entire applicable committee(s). On a periodic basis but no less frequently than each regularly scheduled committee meeting, the General Counsel or such other person as may be overseeing an investigation shall report to the appropriate committee(s) on the progress and results of the investigation.

The General Counsel shall have the authority to direct company internal resources (e.g., Internal Audit, Corporate Finance, Human Resources, Compliance, Legal) to conduct or assist such investigations as well as the authority to engage outside resources including outside counsel to conduct an investigation whenever he or she determines, after consultation with the appropriate committee(s), a conflict of interest exists in using company internal resources, or the nature of the investigation requires outside expertise or perspective.

If the Sensitive Complaint implicates the General Counsel, the Code of Conduct Compliance Officer shall forward the complaint to the Chair of both the Governance and Risk Committees of the Sallie Mae Bank Board of Directors and such Chairs shall direct the investigation as they determine may be warranted.

### **All Other Allegations of Code Violations**

Except as otherwise set forth above in the “Sensitive Complaints and Investigations” section, the Code of Conduct Compliance Officer is responsible for investigating all allegations of suspected violations of the Code that are received by the Code of Conduct Compliance Officer via the Code of Conduct Help Line or through an allegation sent directly to the Compliance Office (“Other Allegations of Code Violations”). Such investigations will be conducted in accordance with this Policy and the Code Procedures. The company will make resources available to conduct any investigations deemed appropriate.

Except as otherwise described above in the “Sensitive Complaints and Investigations” section, all fraud investigations will be conducted either (i) by the Corporate Compliance Office under the authorization of, and with direction as appropriate from, the General Counsel’s office, or (ii) by the General Counsel’s office.

In the course of and/or upon conclusion of the investigation of any Other Allegations of Code Violations, as appropriate, the Chief Compliance Officer, in consultation with the General Counsel and/or other appropriate senior executives, will determine the appropriate course of action, including but not limited to further investigation, notification to the Chief Executive Officer, the Internal Auditor, the External Auditor, and the Chair of the Risk Committee of the Sallie Mae Bank Board of Directors.

**Periodic Reporting to Management Committees**

The Code of Conduct Compliance Officer provides regular reporting pertaining to the Code Program at each meeting of the Compliance Committee, and Enterprise Risk Committee.

**Annual Reporting to the SLM Corporation Board of Directors**

The Chief Compliance Officer reports to the SLM Corporation Board of Directors on a periodic basis, no less than annually, the nature of all issues reported and actions taken toward resolution.

**Disciplinary Action and Other Recourse**

In the event that an allegation of a violation of the Code is substantiated, appropriate disciplinary action will be taken, up to and including termination, in accordance with the Sallie Mae Human Resources Department's disciplinary action policies and procedures and with appropriate input and direction from the Sallie Mae Compliance Office and Office of the General Counsel; provided, however, that any disciplinary measures resulting from a Sensitive Complaint and Investigation shall be determined by the General Counsel, in consultation with the Chief Compliance Officer and the Chief Human Resource Officer. Substantiated incidents of falsification or alteration of corporate records will be subject to Sallie Mae's zero tolerance policy. Where appropriate, the company will not limit itself to disciplinary action but may pursue legal action against offending employees, agents and other involved individuals and/or refer findings to criminal and/or civil law enforcement authorities.

**Exception(s):**

Any exception to this Policy must be approved by the Code of Conduct Compliance Officer, the Chief Compliance Officer, the Chief Risk Officer and the General Counsel, in consultation with other members of senior management as they deem appropriate. Any exception or waiver of this Policy that affects a member of the Board of Directors or a senior officer must be approved by the SLM Corporation Board of Directors or a committee of the Sallie Mae Bank Board of Directors.