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**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM S-8**  
**REGISTRATION STATEMENT**  
**UNDER**  
**THE SECURITIES ACT OF 1933**

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**SLM CORPORATION**

(Exact Name of Registrant as Specified in Its Charter)

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**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**12061 Bluemont Way**  
**Reston, Virginia 20190**  
(Address of Principal Executive Offices Including Zip Code)

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**52-2013874**  
(I.R.S. Employer  
Identification No.)

**SLM CORPORATION DIRECTORS EQUITY PLAN**  
**SLM CORPORATION 2009-2012 INCENTIVE PLAN**  
(Full Title of the Plan)

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*Copies to:*

**Mark L. Heleen, Esq.**  
**Executive Vice President and General Counsel**  
**SLM Corporation**  
**12061 Bluemont Way**  
**Reston, Virginia 20190**  
**(703) 810-3000**

**Ronald O. Mueller, Esq.**  
**Gibson, Dunn & Crutcher LLP**  
**1050 Connecticut Avenue, N.W.**  
**Washington, D.C. 20036**  
**(202) 955-8500**

(Name and Address of Agent For Service)

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**(703) 810-3000**  
(Telephone Number, Including Area Code, of Agent For Service)

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Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

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**CALCULATION OF REGISTRATION FEE**

Title of Securities to be Registered	Amount to be Registered <sup>(1)</sup>	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
<b>Common Stock, \$0.20 par value per share</b>	<b>1,000,000 shares<sup>(2)</sup></b>	<b>\$5.57<sup>(2)</sup></b>	<b>\$5,570,000<sup>(2)</sup></b>	<b>\$311.00</b>
<b>Common Stock, \$0.20 par value per share</b>	<b>37,504,884 shares<sup>(3)</sup></b>	<b>\$5.57<sup>(3)</sup></b>	<b>\$208,902,203<sup>(3)</sup></b>	<b>\$11,657.00</b>

- (1) Pursuant to Rule 416(c) under the Securities Act of 1933, there is also being registered such additional shares of Common Stock that become available under the foregoing plans in connection with changes in the number of outstanding Common Stock because of events such as recapitalizations, stock dividends, stock splits and reverse stock splits, and any other securities with respect to which the outstanding shares are converted or exchanged.
- (2) Relates to Common Stock to be issued pursuant to the SLM Corporation Directors Equity Plan. The maximum offering price per share is estimated solely for the purpose of calculating the registration fee. The registration fee has been calculated in accordance with Rule 457(h) under the Securities Act based upon the average high and low prices for the Common Stock on May 15, 2009, which was \$5.57.
- (3) Relates to Common Stock to be issued pursuant to the SLM Corporation 2009-2012 Incentive Plan. The maximum offering price per share is estimated solely for the purpose of calculating the registration fee. The registration fee has been calculated in accordance with Rule 457(h) under the Securities Act based upon the average high and low prices for the Common Stock on May 15, 2009, which was \$5.57.

## INTRODUCTION

This Registration Statement on Form S-8 is filed by SLM Corporation, a Delaware corporation (the “Registrant” or the “Company”) relating to: (a) 1,000,000 shares of the Company’s Common Stock, par value \$.20 per share (the “Common Stock”), to be issued under the SLM Corporation Directors Equity Plan; and (b) shares of Common Stock to be issued under the SLM Corporation 2009-2012 Incentive Plan, consisting of (i) 27,504,884 shares of Common Stock authorized to be issued under the SLM Corporation Incentive Plan and the SLM Corporation Management Incentive Plan (the “Prior Plans”), that are not actually issued under the Prior Plans by reason of cancellation, forfeiture or net-settlement of awards and (ii) 10,000,000 additional shares of Common Stock.

### PART I

#### INFORMATION REQUIRED IN THE SECTION 10(a) PROSPECTUS

The information required in Part I of this Registration Statement is included in one or more prospectuses for the Company’s Directors Equity Plan and 2009-2012 Incentive Plan that are not filed as part of this Registration Statement pursuant to the Note to Part I of Form S-8.

### PART II

#### INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

**Item 3. Incorporation of Documents by Reference.**

The following documents previously filed with the Securities and Exchange Commission (the “Commission”) are hereby incorporated by reference into this Registration Statement:

1. The Registrant’s latest Annual Report pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or latest prospectus filed pursuant to Rule 424(b) under the Securities Act of 1933, as amended (the “Securities Act”), that contains audited financial statements for the Registrant’s latest fiscal year for which such statements have been filed.
2. All other reports filed pursuant to Section 13(a) or 15(d) of the Exchange Act since the end of the fiscal year covered by the Registrant’s latest annual report or prospectus referred to in (1) above.
3. The description of the Common Stock set forth under the caption “Description of Registrant’s Securities to be Registered” in the Registrant’s Registration Statement on Form 8-A dated August 7, 1997, as amended on July 27, 1999, together with any amendment or report filed with the Commission for the purpose of updating such description.

All reports and other documents that the Registrant subsequently files with the Commission pursuant to Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act, prior to the filing of a post-effective amendment indicating that the Company has sold all of the securities offered under this Registration Statement or that deregisters the distribution of all such securities then remaining unsold, shall be deemed to be incorporated by reference into this Registration Statement from the date that the Company files such report or document. Any statement contained in this Registration Statement or any report or document incorporated into this Registration Statement by reference, however, shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained in a subsequently dated report or document that is also considered part of this Registration Statement, or in any amendment to this Registration Statement, is inconsistent with such prior statement. The Registrant's Exchange Act file number with the Commission is 001-13251.

**Item 4. Description of Securities.**

Not applicable.

**Item 5. Interests of Named Experts and Counsel.**

Certain legal matters with respect to the validity of the Common Stock registered hereby have been passed upon for the Registrant by Carol Rakatansky, Vice President and Corporate Secretary of the Registrant. Ms. Rakatansky is employed by the Registrant and is eligible to participate in the 2009-2012 Incentive Plan from time to time.

**Item 6. Indemnification of Directors and Officers.**

Article VIII of the Registrant's By-Laws provides for indemnification of the officers and directors of SLM Corporation to the fullest extent permitted by applicable law. Section 145 of the Delaware General Corporation Law provides, in relevant part, that a corporation organized under the laws of Delaware shall have the power, and in certain cases the obligation, to indemnify any person who was or is a party or is threatened to be made a party to any suit or proceeding because such person is or was a director, officer, employee or agent of the corporation or is or was serving, at the request of the corporation, as a director, officer, employee or agent of another corporation, against all costs actually and reasonably incurred by him in connection with such suit or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal proceeding, he or she had no reason to believe his or her conduct was unlawful. Similar indemnity is permitted to be provided to such persons in connection with an action or suit by or in right of the corporation, provided such person acted in good faith and in a manner he or she believed to be in or not opposed to the best interests of the corporation, and provided further (unless a court of competent jurisdiction otherwise determines) that such person shall not have been adjudged liable to the corporation.

The directors and officers of the Registrant and its subsidiaries are covered by a policy of insurance under which they are insured, within the limits and subject to certain limitations, against certain expenses in connection with the defense of actions, suits or proceedings, and certain liabilities that might be imposed as a result of such actions, suits or proceedings in which they are parties by reason of being or having been directors or officers.

**Item 7. Exemption from Registration Claimed.**

Not applicable.

**Item 8. Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
4.1	Amended and Restated Certificate of Incorporation of the Registrant
4.2	Bylaws of the Registrant
5.1	Opinion of Carol Rakatansky, Esq., Vice President and Corporate Secretary of SLM Corporation*
10.1	SLM Corporation Directors Equity Plan
10.2	SLM Corporation 2009-2012 Incentive Plan
23.1	Consent of Carol Rakatansky, Esq. (contained in Exhibit 5.1)
23.2	Consent of Independent Registered Accounting Firm
24.1	Power of Attorney (included on the signature page of this Registration Statement)

\* Please refer to Item 5, "Interests of Named Experts and Counsel".

**Item 9. Undertakings.**

1. The undersigned Registrant hereby undertakes:

(a) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933, as amended (the "Securities Act");

(ii) To reflect in the prospectus any facts or events arising after the effective date of this Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no

more than a 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in this Registration Statement or any material change to such information in this Registration Statement;

provided, however, that paragraphs (1)(a)(i) and (1)(a)(ii) do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Registrant pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in this Registration Statement;

(b) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof; and

(c) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

2. The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act that is incorporated by reference in the Registration Statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

3. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Company pursuant to the foregoing provisions, or otherwise, the Company has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Company of expenses incurred or paid by a director, officer or controlling person of the Company in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Company will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

**[SIGNATURES ON THE NEXT PAGE]**

**SIGNATURES**

Pursuant to the requirements of the Securities Act, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Reston, Commonwealth of Virginia, on this 22<sup>nd</sup> day of May, 2009.

**SLM CORPORATION**

By: /s/ Albert L. Lord  
Name: Albert L. Lord  
Title: Chief Executive Officer

**POWER OF ATTORNEY**

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the date indicated. Each of the directors and/or officers of the Registrant whose signature appears below hereby appoints Mark Heleen, Executive Vice President and General Counsel, and Carol Rakatansky, Vice President and Corporate Secretary, and each of them severally as his attorney-in-fact to sign his name and on his behalf, in any and all capacities stated below, and to file with the Securities and Exchange Commission any and all amendments, including post-effective amendments to this Registration Statement as appropriate, and generally to do all such things in their behalf in their capacities as officers and directors to enable Registrant to comply with the provisions of the Securities Act of 1933, and all requirements of the Securities and Exchange Commission.

<u>Name and Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Albert L. Lord</u> Albert L. Lord	Chief Executive Officer (Principal Executive Officer) and Vice Chairman of the Board of Directors	May 22, 2009
<u>/s/ John F. Remondi</u> John F. Remondi	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer) and Vice Chairman	May 22, 2009

/s/ Anthony P. Terracciano  
Anthony P. Terracciano

Chairman of the Board of  
Directors

May 22, 2009

/s/ Ann Torre Bates  
Ann Torre Bates

Director

May 22, 2009

/s/ William M. Diefenderfer, III  
William M. Diefenderfer, III

Director

May 22, 2009

/s/ Diane Suitt Gilleland  
Diane Suitt Gilleland

Director

May 22, 2009

/s/ Earl A. Goode  
Earl A. Goode

Director

May 22, 2009

/s/ Ronald F. Hunt  
Ronald F. Hunt

Director

May 22, 2009

/s/ Michael E. Martin  
Michael E. Martin

Director

May 22, 2009

/s/ Barry A. Munitz  
Barry A. Munitz

Director

May 22, 2009

/s/ Howard H. Newman  
Howard H. Newman

Director

May 22, 2009

/s/ A. Alexander Porter, Jr.  
A. Alexander Porter, Jr.

Director

May 22, 2009



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/s/ Frank C. Puleo

Frank C. Puleo

Director

May 22, 2009

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/s/ Wolfgang Schoellkopf

Wolfgang Schoellkopf

Director

May 22, 2009

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/s/ Steven L. Shapiro

Steven L. Shapiro

Director

May 22, 2009

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/s/ J. Terry Strange

J. Terry Strange

Director

May 22, 2009

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/s/ Barry L. Williams

Barry L. Williams

Director

May 22, 2009

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**EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Description</u>
4.1	Amended and Restated Certificate of Incorporation of the Registrant
4.2	Bylaws of the Registrant, incorporated herein by reference to Exhibit 3.1(II) of the Registrant's Form 8-K filed August 6, 2008
5.1	Opinion of Carol Rakatansky, Esq., Vice President and Corporate Secretary of SLM Corporation*
10.1	SLM Corporation Directors Equity Plan
10.2	SLM Corporation 2009-2012 Incentive Plan
23.1	Consent of Carol Rakatansky, Esq. (contained in Exhibit 5.1)
23.2	Consent of Independent Registered Accounting Firm
24.1	Power of Attorney (included on the signature page of this Registration Statement)

\* Please refer to Item 5, "Interests of Named Experts and Counsel".

**Restated Certificate of Incorporation of SLM Corporation**

Amendment to Restated Certificate of Incorporation of SLM Corporation

(Pursuant to Section 242 of the Delaware General Corporation Law)

SLM Corporation, a Delaware Corporation (the "Corporation"), hereby certifies as follows:

**FIRST:** The Board of Directors of the Corporation unanimously adopted the following resolution at a meeting duly called and held on May 8, 2008:

1. ARTICLE SIXTH(c)(1)(i), which begins "The number of directors the Corporation . . .", is hereby deleted in its entirety and replaced with the following:

SIXTH(c)(1)(i): The number of directors of the Corporation shall not be less than eleven (11) and no more than sixteen (16).

**SECOND:** The above resolution was approved by a majority of the outstanding stock entitled to vote thereon at the annual stockholders meeting which was duly called and held on May 8, 2008.

IN WITNESS THEREOF, this Amendment to the Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Section 242 of the Delaware General Corporation Law and has been executed by a duly authorized officer of the Corporation this 8th day of May, 2008.

SLM CORPORATION

(original signed)

By: Mary F. Eure, Secretary

SLM Corporation, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), hereby certifies as follows:

(1) The name of the Corporation is SLM Corporation, and the name under which the Corporation was originally incorporated was SLM Holding Corporation. The date of filing of its original Certificate of Incorporation with the Secretary of State was February 3, 1997.

(2) This Restated Certificate of Incorporation only restates and integrates and does not further amend the provisions of the Certificate of Incorporation of this corporation as heretofore amended or supplemented and there is no discrepancy between those provisions and the provisions of this Restated Certificate of Incorporation.

(3) This Restated Articles of Incorporation was duly adopted by the Board of Directors in accordance with Section 245 of the General Corporation Law of the State of Delaware.

(4) The text of the Certificate of Incorporation of the Corporation as amended or supplemented heretofore is hereby restated without further amendments or changes to read as herein set forth in full:

**RESTATED  
CERTIFICATE OF INCORPORATION  
OF  
SLM CORPORATION**

**FIRST:** The name of the Corporation is SLM Corporation (hereinafter the “Corporation”).

**SECOND:** The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at that address is The Corporation Trust Company.

**THIRD:** The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware as set forth in Title 8 of the Delaware Code (the “GCL”).

**FOURTH:** The total number of shares of stock which the Corporation shall have authority to issue is 1,145,000,000 shares of capital stock, consisting of (i) 1,125,000,000 shares of common stock, par value \$.20 per share (the “Common Stock”), and (ii) 20,000,000 shares of preferred stock, par value \$.20 per share (the “Preferred Stock”).

a. **Common Stock.** The powers, preferences and rights, and the qualifications, limitations and restrictions, of the Common Stock are as follows:

(1) **Voting.** Except as otherwise expressly required by law or provided in this Certificate of Incorporation, and subject to any voting rights provided to holders of Preferred Stock at any time outstanding, at each annual or special meeting of stockholders, each holder of record of shares of Common Stock on the relevant record date shall be entitled to cast one vote in person or by proxy for each share of the Common Stock standing in such holder’s name on the stock transfer records of the Corporation; provided, however, that at all elections of directors of the Corporation, each holder of record of shares of Common Stock on the relevant record date shall be entitled to cast as many votes, in person or by proxy, which (except for this provision) such holder would be entitled to cast for the election of directors with respect to its shares of stock multiplied by the number of directors to be elected at such election, and that such holder may cast all such votes for a single director or may distribute them among the number to be voted for, or for any two or more of them as such holder sees fit.

(2) **Dividends.** Subject to the rights of the holders of Preferred Stock, and subject to any other provisions of this Certificate of Incorporation, as it may be amended from time to time, holders of shares of Common Stock shall be entitled to receive such dividends and other distributions in cash, stock or property of the Corporation when, as and if declared thereon by the Board of Directors from time to time out of assets or funds of the Corporation legally available therefor.

(3) Liquidation, Dissolution, etc. In the event of any liquidation, dissolution or winding up (either voluntary or involuntary) of the Corporation, the holders of shares of Common Stock shall be entitled to receive the assets and funds of the Corporation available for distribution after payments to creditors and to the holders of any Preferred Stock of the Corporation that may at the time be outstanding, in proportion to the number of shares held by them.

(4) No Preemptive or Subscription Rights. No holder of shares of Common Stock shall be entitled to preemptive or subscription rights.

**b. Preferred Stock.** The Board of Directors is hereby expressly authorized to provide for the issuance of all or any shares of the Preferred Stock in one or more classes or series, and to fix for each such class or series such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issuance of such class or series, including, without limitation, the authority to provide that any such class or series may be (i) subject to redemption at such time or times and at such price or prices; (ii) entitled to receive dividends (which may be cumulative or non-cumulative) at such rates, on such conditions, and at such times, and payable in preference to, or in such relation to, the dividends payable on any other class or classes or any other series; (iii) entitled to such rights upon the dissolution of, or upon any distribution of the assets of, the Corporation; or (iv) convertible into, or exchangeable for, shares of any other class or classes of stock, or of any other series of the same or any other class or classes of stock, of the Corporation at such price or prices or at such rates of exchange and with such adjustments; all as may be stated in such resolution or resolutions.

(1) Designated Preferred Stock – Series A. Pursuant to authority conferred upon the Board of Directors by this Article IV, the Board of Directors created a series of 3,450,000 shares of Preferred Stock designated as 6.97% Cumulative Redeemable Preferred Stock, Series A, by filing a Certificate of Designations of the Corporation with the Secretary of State of the State of Delaware on November 12, 1999, and the voting powers, designations, preferences and relative, participating and other special rights, and the qualifications, limitations and restrictions thereof, of the 6.97% Cumulative Redeemable Preferred Stock are as set forth on Exhibit A hereto and are incorporated herein by reference.

(2) Designated Preferred Stock – Series B. Pursuant to authority conferred upon the Board of Directors by this Article IV, the Board of Directors created a series of 4,000,000 shares of Preferred Stock designated as Floating-Rate Non-Cumulative Preferred Stock, Series B, by filing a Certificate of Designations of the Corporation with the Secretary of State of the State of Delaware on June 7, 2005, and the voting powers, designations, preferences and relative, participating and other special rights, and the qualifications, limitations and restrictions thereof, of the Floating-Rate Non-Cumulative Preferred Stock are as set forth on Exhibit B hereto and are incorporated herein by reference.

c. **Power to Sell and Purchase Shares.** Subject to the requirements of applicable law, the Corporation shall have the power to issue and sell all or any part of any shares of any class of stock herein or hereafter authorized to such persons, and for such consideration, as the Board of Directors shall from time to time, in its discretion, determine, whether or not greater consideration could be received upon the issue or sale of the same number of shares of another class, and as otherwise permitted by law. Unless approved by the affirmative vote of not less than a majority of the voting power of the shares of capital stock of the Corporation then entitled to vote at an election of directors, the Corporation shall not take any action that would result in the acquisition by the Corporation, directly or indirectly, from any person or "group" (as defined in Section 13(d) of the Securities Exchange Act of 1934) of five percent or more of the shares of Common Stock issued and outstanding, at a price in excess of the prevailing market price of such Common Stock, other than pursuant to a tender offer made to all stockholders or to all stockholders owning less than 100 shares of Common Stock.

d. **Limitation on Stockholder Rights Plan.** Notwithstanding any other powers set forth in this Certificate of Incorporation, the Board of Directors shall not adopt a stockholders "rights plan" (which for this purpose shall mean any arrangement pursuant to which, directly or indirectly, Common Stock or Preferred Stock purchase rights may be distributed to stockholders that provide all stockholders, other than persons who meet certain criteria specified in the arrangement, the right to purchase the Common Stock or Preferred Stock at less than the prevailing market price of the Common Stock or Preferred Stock), unless (i) such rights plan is ratified by the affirmative vote of a majority of the voting power of the shares of capital stock of the Corporation then entitled to vote at an election of directors at the next meeting (annual or special) of stockholders; (ii) by its terms, such rights plan expires within thirty-seven (37) months from the date of its adoption, unless extended by the affirmative vote of a majority of the voting power of the shares of capital stock of the Corporation then entitled to vote at an election of directors; and (iii) at any time the rights issued thereunder will be redeemed by the Corporation upon the affirmative vote of a majority of the voting power of the shares of capital stock of the Corporation then entitled to vote at an election of directors.

**FIFTH:** Reserved.

**SIXTH:** The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation, and for further definition, limitation and regulation of the powers of the Corporation and of its directors and stockholders:

a. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

b. The directors shall have concurrent power with the stockholders to make, alter, amend, change, add to or repeal the By-Laws of the Corporation.

c. (1) (i) The number of directors of the Corporation shall be not less than eleven (11), no more than seventeen (17) for election at the 2000 annual meeting of shareholders; no more than sixteen (16) at the 2001 annual meeting of shareholders; and no more than fifteen (15) thereafter.

(ii) Directors may be removed with or without cause by a vote of the holders of shares entitled to vote at an election of directors at a duly called meeting of such holders, provided that no director shall be removed for cause except by the affirmative vote of not less than a majority of the voting power of the shares then entitled to vote at an election of directors, and provided further that if less than the entire board of directors is to be removed, no director may be removed without cause if the votes cast against his removal would be sufficient to elect him if then cumulatively voted at an election of the entire board of directors.

(iii) Notwithstanding the foregoing, whenever the holders of any one or more classes or series of Preferred Stock issued by the Corporation shall have the right, voting separately by class or series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of this Certificate of Incorporation applicable thereto.

(2) A director shall hold office until the succeeding annual meeting (or special meeting in lieu thereof) and until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office.

(3) Any vacancy on the Board of Directors, regardless of whether resulting from death, resignation, retirement, disqualification, removal from office, increase in the size of the Board or otherwise, may be filled by the affirmative vote of a majority of directors then in office, but any vacancy filled in such manner shall be filled only until the next annual meeting of stockholders.

d. No director shall be personally liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the GCL or (iv) for any transaction from which the director derived an improper personal benefit. Any repeal or modification of this Article SIXTH by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification with respect to acts or omissions occurring prior to such repeal or modification.

e. In addition to the powers and authority hereinbefore or by statute expressly conferred upon them, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject, nevertheless, to the provisions of the GCL, this Certificate of Incorporation, and any By-Laws adopted by the stockholders; provided, however, that no such action by the Board of Directors, unless approved by a majority of the voting shares of capital stock of the Corporation then entitled to vote at an election of directors, shall amend, alter, change or repeal the right of stockholders as provided for in the By-Laws to call a special meeting of stockholders; and provided further that no By-Laws hereafter adopted by the stockholders shall invalidate any prior act of the directors which would have been valid if such By-Laws had not been adopted.

**SEVENTH:** Meetings of stockholders may be held within or without the State of Delaware, as the By-Laws may provide. The books of the Corporation may be kept (subject to any provision contained in the GCL) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the By-Laws of the Corporation.

**EIGHTH:** Any action required to be taken at any annual or special meeting of stockholders, or any action which may be taken at any annual or special meeting of stockholders, may be taken without a meeting, without prior notice, and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation delivery to its registered office, its principal place of business or an officer or director of the Corporation having custody of the book in which proceedings of meetings of members are recorded.

**NINTH:** Pursuant to § 203(b)(1) of the GCL, the Corporation hereby expressly opts not to be governed by GCL § 203.

**TENTH:** Any action by the Board of Directors to make, alter, amend, change, add to or repeal this Certificate of Incorporation shall be approved by the affirmative vote of not less than a majority of the voting power of the shares of capital stock of the Corporation then entitled to vote at an election of directors. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation.

**IN WITNESS WHEREOF**, the Corporation has caused this Restated Certificate of Incorporation to be executed on its behalf this 1st day of August, 2005.

SLM CORPORATION

By:

Mary F. Eure,  
Corporate Secretary



**SLM HOLDING CORPORATION**  
**CERTIFICATE OF DESIGNATION, POWERS,**  
**PREFERENCES, RIGHTS, PRIVILEGES, QUALIFICATIONS,**  
**LIMITATIONS, RESTRICTIONS, TERMS AND CONDITIONS**  
**of**  
**6.97% CUMULATIVE REDEEMABLE**  
**PREFERRED STOCK, SERIES A**

**1. Designation, Par Value, Number of Shares and Seniority**

The series of preferred stock of the Corporation created hereby (the "Series A Preferred Stock") shall be designated "6.97% Cumulative Redeemable Preferred Stock, Series A," shall have a par value of \$0.20 per share and shall consist of 3,450,000 shares.

Subject to the requirements of applicable law and the terms and conditions of the Corporation's Amended and Restated Certificate of Incorporation, the Board of Directors shall be permitted to increase the authorized number of shares of such series at any time.

The Series A Preferred Stock shall rank, both as to dividends and upon liquidation, prior to the common stock of the Corporation (the "Common Stock") to the extent provided in this Certificate and the Corporation's Amended and Restated Certificate of Incorporation and shall rank, both as to dividends and upon liquidation, on a parity with any other class or series of preferred stock the Corporation may from time to time issue (the "Parity Preferred Stock").

**2. Dividends**

(a) The holders of outstanding shares of Series A Preferred Stock shall be entitled to receive, ratably, when, as and if declared by the Board of Directors, in its sole discretion, out of funds legally available therefor, cumulative, cash dividends at the annual rate of 6.97%, or \$3.485, per share of Series A Preferred Stock. Dividends on the Series A Preferred Stock shall accrue from but not including November 16, 1999 and are payable when, as and if declared by the Board of Directors quarterly in arrears on January 31, April 30, July 30 and October 31 of each year (each, a "Dividend Payment Date") commencing on January 31, 2000. If a Dividend Payment Date is not a "Business Day," the related dividend shall be paid on the next Business Day with the same force and effect as though paid on the Dividend Payment Date, without any increase to account for the period from such Dividend Payment Date through the date of actual payment. For these purposes, "Business Day" means a day other than (i) a Saturday or Sunday, (ii) a day on which New York City banks are closed or (iii) a day on which the offices of the Corporation are closed.

The "Dividend Period" relating to a Dividend Payment Date shall be the period from but not including the preceding Dividend Payment Date (or from but not including November 16, 1999, in the case of the first Dividend Payment Date) through and including the related Dividend Payment Date. If declared, the dividend payable in respect of the first Dividend Period will be \$0.7357 per share. The amount of dividends payable in respect of any quarterly Dividend Period

other than the first Dividend Period shall be computed at a rate equal to 6.97% divided by 4; the amount of dividends payable in respect of any shorter period shall be computed on the basis of twelve 30-day months and a 360-day year. Each such dividend shall be paid to the holders of record of outstanding shares of the Series A Preferred Stock as they appear in the books and records of the Corporation on such record date as shall be fixed in advance by the Board of Directors, not to be earlier than 45 days nor later than 10 days preceding the applicable Dividend Payment Date.

No dividends shall be declared or paid or set apart for payment on the Common Stock or any other class or series of stock ranking junior to or (except as hereinafter provided) on a parity with the Series A Preferred Stock with respect to the payment of dividends unless all accrued and unpaid dividends have been declared and paid or set apart for payment on the outstanding Series A Preferred Stock in respect of all prior Dividend Periods. In the event that the Corporation shall not pay any one or more dividends or any part thereof on the Series A Preferred Stock, the holders of that Series A Preferred Stock shall not have any cause of action against the Corporation in respect of such non-payment so long as no dividend is paid on any junior or parity stock in violation of the next preceding sentence.

No Common Stock or any other stock of the Corporation ranking junior to or on a parity with the Series A Preferred Stock as to dividends may be redeemed, purchased or otherwise acquired for any consideration (or any payment be made to or available for a sinking fund for the redemption of any shares of such stock) unless all accrued and unpaid dividends have been declared and paid or set apart for payment on the outstanding Series A Preferred Stock in respect of all prior Dividend Periods; provided, however, that any moneys theretofore deposited in any sinking fund with respect to any such stock in compliance with the provision of such sinking fund may thereafter be applied to the purchase or redemption of such stock in accordance with the terms of such sinking fund, regardless of whether at the time of such application full cumulative dividends upon the Series A Preferred Stock outstanding to the most recent Dividend Payment Date shall have been paid or declared and set apart for payment by the Corporation; provided that, if and when authorized by the Board of Directors, any such junior or parity stock or Common Stock may be converted into or exchanged for stock of the Corporation ranking junior to the Series A Preferred Stock as to dividends.

(b) If, prior to May 16, 2001, one or more amendments to the Internal Revenue Code of 1986, as amended (the "Code"), are enacted that reduce the percentage of the dividends-received deduction (70% as of November 10, 1999) as specified in section 243(a)(1) of the Code or any successor provision (the "Dividends-Received Percentage"), certain adjustments may be made in respect of the dividends payable by the Corporation, and Post Declaration Date Dividends and Retroactive Dividends (as such terms are defined below) may become payable, as described below. Notwithstanding anything to the contrary herein, the Corporation will make no adjustment for any amendments to the Code on or after May 16, 2001 that reduce the Dividends-Received Percentage.

The amount of each dividend payable (if declared) per share of Series A Preferred Stock for dividend payments made on or after the effective date of such change in the

Code will be adjusted by multiplying the amount of the dividend payable pursuant to clause (a) of this Section 2 (before adjustment) by a factor, which shall be the number determined in accordance with the following formula (the “DRD Formula”), and rounding the result to the nearest cent (with one-half cent rounded up):

$$1 - .35 (1 - .70)$$

$$1 - .35 (1 - \text{DRP})$$

For the purposes of the DRD Formula, “DRP” means the Dividends-Received Percentage (expressed as a decimal) applicable to the dividend in question; provided, however, that if the Dividends-Received Percentage applicable to the dividend in question is less than 50%, then the DRP will equal .50. No amendment to the Code, other than a change in the percentage of the dividends-received deduction set forth in section 243(a)(1) of the Code or any successor provision, or a change in the percentage of the dividends-received deduction for certain categories of stock, which change is applicable to the Series A Preferred Stock, will give rise to an adjustment.

Notwithstanding the foregoing provisions, if, with respect to any such amendment, the Corporation receives an unqualified opinion of nationally recognized independent tax counsel selected by the Corporation or a private letter ruling or similar form of assurance from the Internal Revenue Service (the “IRS”) to the effect that such an amendment does not apply to a dividend payable on the Series A Preferred Stock, then such amendment shall not result in the adjustment provided for pursuant to the DRD Formula with respect to such dividend. The opinion referenced in the previous sentence shall be based upon the legislation amending or establishing the DRP or upon a published pronouncement of the IRS addressing such legislation. Unless the context otherwise requires, references to dividends herein shall mean dividends as adjusted by the DRD Formula. The Corporation’s calculation of the dividends payable as so adjusted shall be final and not subject to review absent manifest error.

Notwithstanding the foregoing, if any such amendment to the Code is enacted after the dividend payable on a Dividend Payment Date has been declared but before such dividend is paid, the amount of the dividend payable on such Dividend Payment Date shall not be increased. Instead, additional dividends (the “Post Declaration Date Dividends”), equal to the excess, if any, of (x) the product of the dividend paid by the Corporation on such Dividend Payment Date and the DRD Formula (where the DRP used in the DRD Formula would be equal to the greater of the Dividends-Received Percentage applicable to the dividend in question and .50) over (y) the dividend paid by the Corporation on such Dividend Payment Date, shall be payable (if declared) to holders of Series A Preferred Stock on the record date applicable to the next succeeding Dividend Payment Date, or, if the Series A Preferred Stock is called for redemption prior to such record date, to holders of Series A Preferred Stock on the applicable redemption date, as the case may be, in addition to any other amounts payable on such date. Notwithstanding the foregoing provisions, if, with respect to any such amendment, the Corporation receives either an unqualified opinion of nationally recognized independent tax counsel selected by the Corporation or a private letter ruling or similar form of assurance from the IRS to the effect that such amendment does not apply to a dividend so payable on the Preferred Stock, then such amendment will not result in the payment of Post Declaration Date Dividends. The opinion referenced in the previous sentence must be based upon the legislation amending or establishing the DRP or upon a published pronouncement of the IRS addressing such legislation.

If any such amendment to the Code is enacted and the reduction in the Dividends-Received Percentage retroactively applies to a Dividend Payment Date as to which the Corporation previously paid dividends on the Series A Preferred Stock (each, an "Affected Dividend Payment Date"), the Corporation shall pay (if declared) additional dividends (the "Retroactive Dividends") to holders of the Series A Preferred Stock on the record date applicable to the next succeeding Dividend Payment Date (or, if such amendment is enacted after the dividend payable on such Dividend Payment Date has been declared, to holders on the record date applicable to the second succeeding Dividend Payment Date following the date of enactment) in an amount equal to the excess of (x) the product of the dividend paid by the Corporation on each Affected Dividend Payment Date and the DRD Formula (where the DRP used in the DRD Formula would be equal to the greater of the Dividends-Received Percentage and .50 applied to each Affected Dividend Payment Date) over (y) the sum of the dividend paid by the Corporation on each Affected Dividend Payment Date. The Corporation will make only one payment of Retroactive Dividends for any such amendment.

Notwithstanding the foregoing provisions, if, with respect to any such amendment, the Corporation receives either an unqualified opinion of nationally recognized independent tax counsel selected by the Corporation or a private letter ruling or similar form of assurance from the IRS to the effect that such amendment does not apply to a dividend payable on an Affected Dividend Payment Date for the Series A Preferred Stock, then such amendment will not result in the payment of Retroactive Dividends with respect to such Affected Dividend Payment Date. The opinion referenced in the previous sentence must be based upon the legislation amending or establishing the DRP or upon a published pronouncement of the IRS addressing such legislation.

In the event that the amount of dividends payable per share of the Series A Preferred Stock is adjusted pursuant to the DRD Formula and/or Post Declaration Date Dividends or Retroactive Dividends are to be paid, the Corporation will give notice of each such adjustment and, if applicable, any Post Declaration Date Dividends and Retroactive Dividends to be paid as soon as practicable to the holders of Series A Preferred Stock.

(c) Notwithstanding any other provision of this Certificate, the Board of Directors, in its discretion, may choose to pay dividends on the Series A Preferred Stock without the payment of any dividends on the Common Stock or any other class or series of stock from time to time outstanding ranking junior to the Series A Preferred Stock with respect to the payment of dividends.

(d) No dividend shall be declared or paid or set apart for payment on any shares of the Series A Preferred Stock if at the same time any arrears or default exists in the payment of dividends on any outstanding class or series of stock of the Corporation ranking prior to or (except as provided herein) on a parity with the Series A Preferred Stock with respect to the payment of dividends.

(e) Holders of shares of the Series A Preferred Stock shall not be entitled to any dividends, in cash or in property, other than as herein provided and shall not be entitled to interest, or any sum in lieu of interest, on or in respect of any dividend payment.

### **3. Optional Redemption**

(a) The Series A Preferred Stock shall not be redeemable prior to November 16, 2009. Subject to this limitation and to any further limitations imposed by law, the Corporation may redeem the Series A Preferred Stock, in whole or in part, at any time or from time to time, out of funds legally available therefor, at the redemption price of \$50.00 per share plus an amount, determined in accordance with Section 2 above, equal to the amount of the dividend accrued and unpaid for all prior Dividend Periods and for the then-current Dividend Period to but not including the date of such redemption. If less than all of the outstanding shares of the Series A Preferred Stock are to be redeemed, the Corporation shall select shares to be redeemed from the outstanding shares not previously called for redemption by lot or pro rata (as nearly as possible) or by any other method which the Corporation in its sole discretion deems equitable.

(b) In the event the Corporation shall redeem any or all of the Series A Preferred Stock as aforesaid, notice of such redemption shall be given by the Corporation by first class mail, postage prepaid, mailed not less than 30 and not more than 60 days prior to the redemption date, to each holder of record of the shares of the Series A Preferred Stock being redeemed, at such holder's address as the same appears in the books and records of the Corporation. Each such notice shall state the number of shares being redeemed, the redemption price, the redemption date and the place at which such holder's certificate(s) representing shares of the Series A Preferred Stock must be presented for cancellation or exchanges, as the case may be, upon such redemption. Any notice that is so mailed shall be conclusively presumed to have been duly given, whether or not the stockholder received such notice. Failure to duly give notice, or any defect in the notice or in the mailing thereof, to any holder of the Series A Preferred Stock shall not affect the validity of the proceedings for the redemption of any other shares of Series A Preferred Stock being redeemed.

(c) If any redemption date is not a Business Day, then payment of the redemption price may be made on the next Business Day with the same force and effect as if made on the redemption date, and no interest, additional dividends or other sums will accrue on the amount payable from the redemption date to the next Business Day.

(d) Notice having been mailed as aforesaid, from and after the redemption date specified therein and upon payment of the consideration set forth in Section 3(a) above, said shares of the Series A Preferred Stock shall no longer be deemed to be outstanding, and all rights of the holders thereof as holders of the Series A Preferred Stock shall cease, with respect to shares so redeemed.

(e) Subject to applicable law, any shares of the Series A Preferred Stock which shall have been redeemed shall, after such redemption, no longer have the status of authorized, issued or outstanding shares.

(f) The shares of Series A Preferred Stock shall not be subject to any sinking fund or to any mandatory redemption.

#### **4. Preferred Stock Board Committee; Limited Rights to Vote and Elect Board Observers**

At the first regularly scheduled meeting of the Board of Directors after the issuance of the Series A Preferred Stock, the Board of Directors shall form a committee (the "Preferred Stock Committee") of the Board of Directors whose purpose shall be to monitor and evaluate proposed actions of the Corporation that may impact the rights of holders of Series A Preferred Stock, including the payment of dividends on the Series A Preferred Stock, and to report to the Board of Directors thereon. The Board of Directors shall designate from among its "independent directors" (as such term is defined (i) by the Corporation's Bylaws as then in effect or (ii) by New York Stock Exchange rules) at least three directors to serve on the Preferred Stock Committee. In designating the independent directors to serve on the Preferred Stock Committee, the Board of Directors may, in its sole discretion, apply either of the foregoing definitions. The Preferred Stock Committee shall meet at least once a year.

Except as set forth in this Section 4 and in Section 9(h) below, the shares of the Series A Preferred Stock shall not have any voting powers, either general or special.

Whenever dividends on any shares of Series A Preferred Stock are in arrears for four or more quarterly Dividend Periods, whether or not consecutive:

(a) The holders of the Series A Preferred Stock, voting together as single class with all other classes or series of capital stock of the Corporation upon which like voting rights have been conferred and are exercisable and which are entitled to vote as a class with the Series A Preferred Stock in the election of two observers to the board of directors, will be entitled to vote for the election of a total of two board observers at a special meeting called by an officer of the Corporation at the request of holders of record of at least 10% of the outstanding Series A Preferred Stock or by the holders of any such other class or series of capital stock of the Corporation and at each subsequent annual meeting of stockholders, until all dividends accumulated on the Series A Preferred Stock for all prior Dividend Periods and the then current Dividend Period have been fully paid.

(b) If and when full cumulative dividends on the Series A Preferred Stock for all prior Dividend Periods and the then current Dividend Period have been paid in full or declared and a sum sufficient for the payment thereof set aside for payment in full, the right of holders of Series A Preferred Stock to elect those two board observers will cease and, unless there are other classes and series of capital stock of the Corporation upon which like voting rights have been conferred and are exercisable, all rights of each of the two board observers will immediately and automatically terminate.

(c) The Corporation shall provide to the board observers notice, and a detailed agenda (to the extent prepared for any member of the Board of Directors), of all meetings of the Board of Directors and any committee of the Board of Directors which has been delegated responsibility for matters relating to the payment or nonpayment of dividends, including the

Preferred Stock Committee. The Corporation shall also provide to the board observers copies of all materials that may in any way be related to the payment or nonpayment of dividends that are provided to the Board of Directors and to the members of any such committees. The board observers shall be subject to the same confidentiality obligations with respect to such materials as bind the Board of Directors. The board observers may attend any meeting of the Board of Directors or any committee thereof which has been delegated responsibility for matters relating to the payment or nonpayment of dividends, including the Preferred Stock Committee; the board observers may participate in any such meeting, include statements in the minutes of such meetings, and present information and make recommendations to, and ask questions of, the Board of Directors or the Preferred Stock Committee with respect to all matters.

If a special meeting of the holders of the Series A Preferred Stock for the election of the board observers is not called by an officer of the Corporation within 30 days after request, then the holders of record of at least 10% of the outstanding shares of Series A Preferred Stock may designate a holder of Series A Preferred Stock to call that meeting at the Corporation's expense. The Corporation will pay all costs and expenses of calling and holding any meeting and of electing board observers as described above.

The foregoing voting provisions will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required will be effected, all outstanding shares of Series A Preferred Stock have been redeemed or called for redemption and sufficient funds have been deposited in trust to effect such redemption.

In any matter in which the Series A Preferred Stock is entitled to vote, including any action by written consent, each share of the Series A Preferred Stock shall be entitled to one vote, except that when shares of any other class or series of capital stock of the Corporation have the right to vote with the Series A Preferred Stock as a single class on any matter, the Series A Preferred Stock and the shares of each such other class or series will have one vote for each \$50.00 of liquidation preference (excluding accrued dividends).

#### **5. No Conversion or Exchange Rights**

The holders of shares of the Series A Preferred Stock shall not have any right to convert such shares into or exchange such shares for any other class or series of stock or obligations of the Corporation.

#### **6. No Preemptive Rights**

No holder of the Series A Preferred Stock shall as such holder have any preemptive right to purchase or subscribe for any other shares, rights, options or other securities of any class of the Corporation which at any time may be sold or offered for sale by the Corporation.

#### **7. Liquidation Rights and Preference**

(a) Except as otherwise set forth herein, upon the voluntary or involuntary dissolution, liquidation or winding up of the Corporation, after payment of or provision for the liabilities of the Corporation and the expenses of such dissolution, liquidation or winding up, the holders of the outstanding shares of the Series A Preferred Stock shall be entitled to receive out

of the assets of the Corporation available for distribution to stockholders, before any payment or distribution shall be made on the Common Stock or any other class or series of stock of the Corporation ranking junior to the Series A Preferred Stock upon liquidation, the amount of \$50.00 per share plus an amount, determined in accordance with Section 2 above, equal to all accrued and unpaid dividends for all prior Dividend Periods and for the then-current Dividend Period through and including the date of payment in respect of such dissolution, liquidation or winding up, and the holders of the outstanding shares of any class or series of stock of the Corporation ranking on a parity with the Series A Preferred Stock upon liquidation shall be entitled to receive out of the assets of the Corporation available for distribution to stockholders, before any such payment or distribution shall be made on the Common Stock or any other class or series of stock of the Corporation ranking junior to the Series A Preferred Stock and to such parity stock upon liquidation, any corresponding preferential amount to which the holders of such parity stock may, by the terms thereof, be entitled; provided, however, that if the assets of the Corporation available for distribution to stockholders shall be insufficient for the payment of the full amounts to which the holders of the outstanding shares of the Series A Preferred Stock and the holders of the outstanding shares of such parity stock shall be entitled to receive upon such dissolution, liquidation or winding up of the Corporation as aforesaid, then all of the assets of the Corporation available for distribution to stockholders shall be distributed to the holders of outstanding shares of the Series A Preferred Stock and to the holders of outstanding shares of such parity stock pro rata, so that the amounts so distributed to holders of the Series A Preferred Stock and to holders of such classes or series of such parity stock, respectively, shall bear to each other the same ratio that the respective distributive amounts to which they are so entitled (including any adjustment due to changes in the Dividends-Received Percentage) bear to each other. After the payment of the aforesaid amounts to which they are entitled, the holders of outstanding shares of the Series A Preferred Stock and the holders of outstanding shares of any such parity stock shall not be entitled to any further participation in any distribution of assets of the Corporation.

(b) Neither the sale of all or substantially all of the property or business of the Corporation, nor the merger, consolidation or combination of the Corporation into or with any other corporation or entity, shall be deemed to be a dissolution, liquidation or winding up for the purpose of this Section 7.

#### **8. Additional Classes or Series of Stock**

The Board of Directors shall have the right at any time in the future to authorize, create and issue, by resolution or resolutions, one or more additional classes or series of stock of the Corporation, and to determine and fix the distinguishing characteristics and the relative rights, preferences, privileges and other terms of the shares thereof. Any such class or series of stock may rank on a parity with or junior to the Series A Preferred Stock as to dividends or upon liquidation or otherwise. No such class or series of stock of the Corporation may rank prior to the Series A Preferred Stock as to dividends or upon liquidation or otherwise.



## 9. Miscellaneous

(a) Any stock of any class or series of the Corporation shall be deemed to rank:

(i) on a parity with shares of the Series A Preferred Stock, either as to dividends or upon liquidation, whether or not the dividend rates or amounts, dividend payment dates or redemption of liquidation prices per share, if any, be different from those of the Series A Preferred Stock, if the holders of such class or series shall be entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, as the case may be, in proportion to their respective dividend rates or amounts or liquidation prices, without preference or priority, one over the other, as between the holders of such class or series and the holders of shares of the Series A Preferred Stock; and

(ii) junior to shares of the Series A Preferred Stock, either as to dividends or upon liquidation, if such class or series shall be Common Stock, or if the holders of shares of the Series A Preferred Stock shall be entitled to receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, as the case may be, in preference or priority to the holders of shares of such class or series.

(b) The Corporation and any agent of the Corporation may deem and treat the holder of a share or shares of Series A Preferred Stock, as shown in the Corporation's books and records, as the absolute owner of such share or shares of Series A Preferred Stock for the purpose of receiving payment of dividends in respect of such share or shares of Series A Preferred Stock and for all other purposes whatsoever, and neither the Corporation nor any agent or the Corporation shall be affected by any notice to the contrary. All payments made to or upon the order of any such persons shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge liabilities for moneys payable by the Corporation on or with respect to any such share or shares of Series A Preferred Stock.

(c) The shares of the Series A Preferred Stock, when duly issued, shall be fully paid and non-assessable.

(d) For purposes of this Certificate, the term "the Corporation" means SLM Holding Corporation and any successor thereto by operation of law or by reason of a merger, consolidation or combination.

(e) Any notice, demand or other communication which by any provision of this Certificate is required or permitted to be given or served to or upon the Corporation shall be given or served in writing addressed (unless and until another address shall be published by the Corporation) to SLM Holding Corporation, 11600 Sallie Mae Drive, Reston, Virginia 20193, Attn: General Counsel's Office. Such notice, demand or other communication to or upon the Corporation shall be deemed to have been sufficiently given or made only upon actual receipt of a writing by the Corporation. Any notice, demand or other communication which by any provision of this Certificate is required or permitted to be given or served by the Corporation hereunder may be given or served by being deposited first class, postage prepaid, in the United States mail addressed (i) to the holder as such holder's name and address may appear at such time in the books and records of the Corporation or (ii) to a person or entity other than a holder of record of the Series A Preferred Stock, to such person or entity at such address as appears to the Corporation to be appropriate at such time. Such notice, demand or other communication shall be deemed to have been sufficiently given or made, for all purposes, upon mailing.

(f) The Corporation, by or under the authority of the Board of Directors, may amend, alter, supplement or repeal any provision of this Certificate pursuant to applicable law and the following terms and conditions:

(i) The consent of the holders of at least 66 2/3% of all of the shares of the Series A Preferred Stock at the time outstanding, given in person or by proxy, either in writing or by a vote at a meeting called for the purpose at which the holders of shares of the Series A Preferred Stock shall vote together as a class, shall be necessary for authorizing, effecting or validating the amendment, alteration, supplementation or repeal of the provisions of this Certificate if such amendment, alteration, supplementation or repeal would materially and adversely affect the powers, preferences, rights, privileges, qualifications, limitations, restrictions, terms or conditions of the Series A Preferred Stock. The creation and issuance of any other class or series of stock, or the issuance of additional shares of any existing class or series of stock of the Corporation (including the Series A Preferred Stock), whether ranking on parity with or junior to the Series A Preferred Stock, shall not be deemed to constitute such an amendment, alteration, supplementation or repeal.

(ii) Holders of the Series A Preferred Stock shall be entitled to one vote per share on matters on which their consent is required pursuant to subparagraph (i) of this paragraph (h). In connection with any meeting of such holders, the Board of Directors shall fix a record date, neither earlier than 60 days nor later than 10 days prior to the date of such meeting, and holders of record of shares of the Series A Preferred Stock on such record date shall be entitled to notice of and to vote at any such meeting and any adjournment. The Board of Directors, or such person or persons as it may designate, may establish reasonable rules and procedures as to the solicitation of the consent of holders of the Series A Preferred Stock at any such meeting or otherwise, which rules and procedures shall conform to the requirements of any national securities exchange on which the Series A Preferred Stock maybe listed at such time.

(g) RECEIPT AND ACCEPTANCE OF A SHARE OR SHARES OF THE SERIES A Preferred Stock BY OR ON BEHALF OF A HOLDER SHALL CONSTITUTE THE UNCONDITIONAL ACCEPTANCE BY THE HOLDER (AND ALL OTHERS HAVING BENEFICIAL OWNERSHIP OF SUCH SHARE OR SHARES) OF ALL OF THE TERMS AND PROVISIONS OF THIS CERTIFICATE. NO SIGNATURE OR OTHER FURTHER MANIFESTATION OF ASSENT TO THE TERMS AND PROVISIONS OF THIS CERTIFICATE SHALL BE NECESSARY FOR ITS OPERATION OR EFFECT AS BETWEEN THE CORPORATION AND THE HOLDER (AND ALL SUCH OTHERS).

**SLM CORPORATION**  
**CERTIFICATE OF DESIGNATION, POWERS,**  
**PREFERENCES, RIGHTS, PRIVILEGES, QUALIFICATIONS,**  
**LIMITATIONS, RESTRICTIONS, TERMS AND CONDITIONS**  
**of**  
**FLOATING-RATE NON-CUMULATIVE PREFERRED STOCK, SERIES B**

**1. Designation, Par Value, Number or Shares and Seniority**

The series of preferred stock of the Corporation created hereby (the "Series B Preferred Stock") shall be designated "Floating-Rate Non-Cumulative Preferred Stock, Series B," shall have a par value of \$0.20 per share and shall consist of 4,000,000 shares.

Subject to the requirements of applicable law and the terms and conditions of the Corporation's Amended and Restated Certificate of Incorporation, the Board of Directors shall be permitted to increase the authorized number of shares of such series at any time.

The Series B Preferred Stock shall rank, both as to dividends and upon liquidation, dissolution or winding up, prior to the common stock of the Corporation (the "Common Stock") to the extent provided in this Certificate and the Corporation's Amended and Restated Certificate of Incorporation and shall rank, both as to the payment of dividends when due and upon liquidation, dissolution or winding up, on a parity with any other class or series of preferred stock the Corporation may from time to time issue (the "Parity Preferred Stock"), including the Corporation's 6.97% Cumulative Redeemable Preferred Stock, Series A (the "Series A Preferred Stock").

**2. Dividends**

(a) The holders of outstanding shares of Series B Preferred Stock shall be entitled to receive, ratably, when, as and if declared by the Board of Directors, in its sole discretion, out of funds legally available therefor, cash dividends at a rate equal to (i) a floating rate of three-month LIBOR (as defined below) plus 0.70% per annum for periods ending on and prior to June 15, 2011 and (ii) a floating rate of three-month LIBOR plus 1.70% per annum for periods after June 15, 2011, per share of Series B Preferred Stock. Dividends on the Series B Preferred Stock shall accrue from but not including June 8, 2005 in the case of an initial declared dividend or the preceding Dividend Payment Date (as defined below), as applicable, and are payable when, as and if declared by the Board of Directors quarterly in arrears on March 15, June 15, September 15 and December 15 of each year unless such day is not a Business Day, in which case, the related dividend will be paid on the next succeeding Business Day (each, a "Dividend Payment Date") commencing on September 15, 2005. For these purposes, "Business Day" means a day other than (i) a Saturday or Sunday, (ii) a day on which New York City banks are closed or (iii) a day on which the offices of the Corporation are closed.

The "Dividend Period" relating to a Dividend Payment Date shall be the period from but not including the preceding Dividend Payment Date (or from but not including June 8, 2005, in

the case of the first Dividend Payment Date) through and including the related Dividend Payment Date. The amount of dividends payable in respect of any quarterly Dividend Period, including dividends payable for partial Dividend Periods, shall be computed on the basis of the actual number of days for which dividends are payable in the relevant Dividend Period, divided by 360. Each such dividend shall be paid to the holders of record of outstanding shares of the Series B Preferred Stock as they appear in the books and records of the Corporation on such record date as shall be fixed in advance by the Board of Directors, not to be earlier than 45 days nor later than 10 days preceding the applicable Dividend Payment Date.

For any Dividend Period, LIBOR shall be determined by the Calculation Agent (as defined below) on the second London and New York Business Day (as defined below) immediately preceding the first day of such Dividend Period in the following manner:

LIBOR will be the offered rate per annum for three-month deposits in U.S. dollars, beginning on the first day of such period, as that rate appears on Moneyline Telerate Page (as defined below) 3750 as of 11:00 A.M., London time, on the second London and New York Business Day immediately preceding the first day of such Dividend Period.

If the rate described above does not appear on Moneyline Telerate Page 3750, LIBOR will be determined on the basis of the rates, at approximately 11:00 A.M., London time, on the second London and New York Business Day immediately preceding the first day of such Dividend Period, at which deposits of the following kind are offered to prime banks in the London interbank market by four major banks in that market selected by the Calculation Agent: three-month deposits in U.S. dollars, beginning on the first day of such Dividend Period, and in a Representative Amount (as defined below). The Calculation Agent will request the principal London office of each of these banks to provide a quotation of its rate. If at least two quotations are provided, LIBOR for the second London and New York Business Day immediately preceding the first day of such Dividend Period will be the arithmetic mean of the quotations.

If fewer than two quotations are provided as described above, LIBOR for the second London and New York Business Day immediately preceding the first day of such Dividend Period will be the arithmetic mean of the rates for loans of the following kind to leading European banks quoted, at approximately 11:00 A.M., New York City time, on the second London and New York Business Day immediately preceding the first day of such Dividend Period, by three major banks in New York City selected by the Calculation Agent: three-month loans of U.S. dollars, beginning on the first day of such Dividend Period, and in a Representative Amount.

If fewer than three banks selected by the Calculation Agent are quoting as described above, LIBOR for the new Dividend Period will be LIBOR in effect for the prior Dividend Period.

The Calculation Agent's determination of any dividend rate, and its calculation of the amount of dividends for any Dividend Period, will be on file at the principal offices of the Corporation, will be made available to any holder of Series B Preferred Stock upon request and will be final and binding in the absence of manifest error. The term "Calculation agent" means any person appointed by the Corporation to act as Calculation Agent hereunder. The Corporation shall be the initial Calculation Agent.

The term "Representative Amount" means an amount that, in the Calculation Agent's judgment, is representative of a single transaction in the relevant market at the relevant time.

The term "Moneyline Telerate Page" means the display on Moneyline Telerate, Inc., or any successor service, on the page or pages specified in this certificate or any replacement page or pages on that service.

The term "London and New York Business Day" means a day that is a Monday, Tuesday, Wednesday, Thursday or Friday and is a day on which dealings in U.S. dollars are transacted in the London interbank market and on which banking institutions in New York City generally are not authorized or obligated by law or executive order to close.

No dividends shall be declared or paid or set apart for payment on the Common Stock or any other class or series of stock ranking junior to or on a parity with the Series B Preferred Stock with respect to the payment of dividends when due unless all accrued and unpaid dividends have been declared and paid or set apart for payment on the outstanding Series B Preferred Stock in respect of the then-current Dividend Period. In the event that the Corporation shall declare but not pay any one or more dividends or any part thereof on the Series B Preferred Stock, the holders of that Series B Preferred Stock shall not have any cause of action against the Corporation in respect of such non-payment so long as no dividend is paid on any junior or parity stock in violation of the preceding sentence.

No Common Stock or any other stock of the Corporation ranking junior to or on a parity with the Series B Preferred Stock as to the payment of dividends when due may be redeemed, purchased or otherwise acquired for any consideration (or any payment be made to or available for a sinking fund for the redemption of any shares of such stock) unless all accrued and unpaid dividends have been declared and paid or set apart for payment on the outstanding Series B Preferred Stock in respect of the then-current Dividend Period; provided, however, that any moneys theretofore deposited in any sinking fund with respect to any junior or parity stock or Common Stock in compliance with the provision of such sinking fund may thereafter be applied to the purchase or redemption of such stock in accordance with the terms of such sinking fund, regardless of whether at the time of such application full dividends upon the Series B Preferred Stock accrued and unpaid to the most recent Dividend Payment Date shall have been declared and paid or set apart for payment by the Corporation; provided that, if and when authorized by the Board of Directors, any such junior or parity stock or Common Stock may be converted into or exchanged for stock of the Corporation ranking junior to the Series B Preferred Stock as to payment of dividends when due.

### **3. Optional Redemption**

(a) The Series B Preferred Stock shall not be redeemable prior to June 15, 2010. On any Dividend Payment Date on or after June 15, 2010, and subject to this limitation, the terms of Parity Preferred Stock and to any further limitations imposed by law, the Corporation may redeem the Series B Preferred Stock, in whole or in part, out of funds legally available therefor,

at the redemption price of \$100.00 per share plus an amount, determined in accordance with Section 2 above, equal to the amount of the dividend accrued and unpaid for the then-current Dividend Period to but not including the date of such redemption, if any. If fewer than all of the outstanding shares of the Series B Preferred Stock are to be redeemed, the Corporation shall select shares to be redeemed from the outstanding shares not previously called for redemption by lot or pro rata (as nearly as possible) or by any other method which the Corporation in its sole discretion deems equitable.

(b) In the event the Corporation shall redeem any or all of the Series B Preferred Stock as aforesaid, notice of such redemption shall be given by the Corporation by first class mail, postage prepaid, mailed not less than 30 and not more than 60 days prior to the redemption date, to each holder of record of the shares of the Series B Preferred Stock being redeemed, at such holder's address as the same appears in the books and records of the Corporation. Each such notice shall state the number of shares being redeemed, the redemption price, the redemption date and the place at which such holder's certificate(s) representing shares of the Series B Preferred Stock must be presented for cancellation or exchanges, as the case may be, upon such redemption. Any notice that is so mailed shall be conclusively presumed to have been duly given, whether or not the stockholder received such notice. Failure to duly give notice, or any defect in the notice or in the mailing thereof, to any holder of the Series B Preferred Stock shall not affect the validity of the proceedings for the redemption of any other shares of Series B Preferred Stock being redeemed.

(c) If any redemption date is not a Business Day, then payment of the redemption price may be made on the next Business Day with the same force and effect as if made on the redemption date, and no interest, additional dividends or other sums will accrue on the amount payable from the redemption date to the next Business Day.

(d) Notice having been mailed as aforesaid, from and after the redemption date specified therein and upon payment of the consideration set forth in Section 3(a) above, said shares of the Series B Preferred Stock shall no longer be deemed to be outstanding, and all rights of the holders thereof as holders of the Series B Preferred Stock shall cease, with respect to shares so redeemed.

(e) Subject to applicable law, any shares of the Series B Preferred Stock which shall have been redeemed shall, after such redemption, no longer have the status of authorized, issued or outstanding shares.

(f) The shares of Series B Preferred Stock shall not be subject to any sinking fund or to any mandatory redemption.

#### **4. Preferred Stock Board Committee; Limited Rights to Vote and Elect Board Observers**

The Board of Directors maintains a committee (the "Preferred Stock Committee") of the Board of Directors whose purpose is to monitor and evaluate proposed actions of the Corporation that may impact the rights of holders of the outstanding preferred stock of Corporation, including the payment of dividends on the Series B Preferred Stock, and to report to the Board of Directors

thereon. The Board of Directors shall designate from among its "independent directors" (as such term is defined (i) by the Corporation's Bylaws as then in effect or (ii) by the rules of the New York Stock Exchange) at least three directors to serve on the Preferred Stock Committee. In designating the independent directors to serve on the Preferred Stock Committee, the Board of Directors may, in its sole discretion, apply either of the foregoing definitions. The Preferred Stock Committee shall meet at least once a year.

Except as set forth in this Section 4 and in Section 9(f) below, the shares of the Series B Preferred Stock shall not have any voting powers, either general or special.

Whenever dividends on any shares of Series B Preferred Stock have not been declared by the Board of Directors or paid for an aggregate of four or more quarterly Dividend Periods, whether or not consecutive:

(a) The holders of the Series B Preferred Stock, voting together as a single class with all other classes or series of capital stock of the Corporation upon which like voting rights have been conferred and are exercisable and which are entitled to vote as a class with the Series B Preferred Stock in the election of two observers to the board of directors, will be entitled to vote for the election of a total of two board observers at a special meeting called by an officer of the Corporation at the request of holders of record of at least 10% of (i) the outstanding Series B Preferred Stock or (ii) any such other class or series of capital stock of the Corporation entitled to vote for such committee and reelected at each subsequent annual meeting of stockholders, until all declared and unpaid dividends on the Series B Preferred Stock have been fully paid and the Corporation has resumed the payment of dividends in full on the Series B Preferred Stock for four consecutive Dividend Periods.

(b) If and when all accrued and unpaid dividends on the Series B Preferred Stock have been paid in full or declared and a sum sufficient for the payment thereof set apart for payment in full and the Corporation has resumed the payment in of dividends in full on the Series B Preferred Stock for four consecutive Dividend Periods, the right of holders of Series B Preferred Stock to elect those two board observers will cease and, unless there are other classes and series of capital stock of the Corporation upon which like voting rights have been conferred and are exercisable, all rights of each of the two board observers will immediately and automatically terminate.

(c) The Corporation shall provide to the board observers notice, and a detailed agenda (to the extent prepared for any member of the Board of Directors), of all meetings of the Board of Directors and any committee of the Board of Directors which has been delegated responsibility for matters relating to the payment or nonpayment of dividends, including the Preferred Stock Committee. The Corporation shall also provide to the board observers copies of all materials that may in any way be related to the payment or nonpayment of dividends that are provided to the Board of Directors and to the members of any such committees. The board observers shall be subject to the same confidentiality obligations with respect to such materials as bind the Board of Directors.

The board observers may attend any meeting of the Board of Directors or any committee thereof which has been delegated responsibility for matters relating to the payment or

nonpayment of dividends, including the Preferred Stock Committee; the board observers may participate in any such meeting, include statements in the minutes of such meetings, and present information and make recommendations to, and ask questions of, the Board of Directors or the Preferred Stock Committee with respect to all matters.

If a special meeting of the holders of the Series B Preferred Stock for the election of the board observers is not called by an officer of the Corporation within 30 days after a request by holders of record of at least 10% of the outstanding shares of Series B Preferred Stock, then such requesting holders may designate a holder of Series B Preferred Stock to call that meeting at the Corporation's expense. The Corporation will pay all costs and expenses of calling and holding any meeting and of electing board observers as described above.

The foregoing voting rights will not apply if, at or prior to the time when the act with respect to which such vote would otherwise be required will be effected, all outstanding shares of Series B Preferred Stock have been redeemed or called for redemption and sufficient funds have been deposited in trust to effect such redemption.

In any matter in which the Series B Preferred Stock is entitled to vote, including any action by written consent, each share of the Series B Preferred Stock shall be entitled to one vote, except that when shares of any other class or series of capital stock of the Corporation have the right to vote with the Series B Preferred Stock as a single class on any matter, the Series B Preferred Stock and the shares of each such other class or series will have one vote for each \$50.00 of liquidation preference (excluding accrued dividends, if any).

#### **5. No Conversion or Exchange Rights**

The holders of shares of the Series B Preferred Stock shall not have any right to convert such shares into or exchange such shares for any other class or series of stock, obligations or property of the Corporation.

#### **6. No Preemptive Rights**

No holder of the Series B Preferred Stock shall as such holder have any preemptive right to purchase or subscribe for any other shares, rights, options or other securities of any class of the Corporation which at any time may be sold or offered for sale by the Corporation.

#### **7. Liquidation Rights and Preference**

(a) Except as otherwise set forth herein, upon the voluntary or involuntary dissolution, liquidation or winding up of the Corporation, after payment of or provision for the liabilities of the Corporation and the expenses of such dissolution, liquidation or winding up, the holders of the outstanding shares of the Series B Preferred Stock shall be entitled to receive out of the assets of the Corporation available for distribution to stockholders *pari passu* with liquidation payments or distributions to holders of Series A Preferred Stock and any other class or series of stock ranking on a parity as to liquidation with the Series B Preferred Stock and before any payment or distribution shall be made on the Common Stock or any other class or series of stock of the Corporation ranking junior to the Series B Preferred Stock upon liquidation, the amount of \$100.00 per share plus an amount, determined in accordance with Section 2 above,



equal to all accrued and unpaid dividends for the then-current Dividend Period through and including the date of payment in respect of such dissolution, liquidation or winding up, if any, and the holders of the outstanding shares of any class or series of stock of the Corporation ranking on a parity with the Series B Preferred Stock upon liquidation shall be entitled to receive out of the assets of the Corporation available for distribution to stockholders, before any such payment or distribution shall be made on the Common Stock or any other class or series of stock of the Corporation ranking junior to the Series B Preferred Stock and to such parity stock upon liquidation, any corresponding preferential amount to which the holders of such parity stock may, by the terms thereof, be entitled; provided, however, that if the assets of the Corporation available for distribution to stockholders shall be insufficient for the payment of the full amounts to which the holders of the outstanding shares of the Series B Preferred Stock and the holders of the outstanding shares of such parity stock shall be entitled to receive upon such dissolution, liquidation or winding up of the Corporation as aforesaid, then all of the assets of the Corporation available for distribution to stockholders shall be distributed to the holders of outstanding shares of the Series B Preferred Stock and to the holders of outstanding shares of such parity stock pro rata, so that the amounts so distributed to holders of the Series B Preferred Stock and to holders of such classes or series of such parity stock, respectively, shall bear to each other the same ratio that the respective distributive amounts to which they are so entitled bear to each other. After the payment of the aforesaid amounts to which they are entitled, the holders of outstanding shares of the Series B Preferred Stock and the holders of outstanding shares of any such parity stock shall not be entitled to any further participation in any distribution of assets of the Corporation.

(b) Neither the sale of all or substantially all of the property or business of the Corporation, nor the merger, consolidation or combination of the Corporation into or with any other corporation or entity, shall be deemed to be a dissolution, liquidation or winding up for the purpose of this Section 7.

**8. Additional Classes or Series of Stock**

The Board of Directors shall have the right at any time in the future to authorize, create and issue, by resolution or resolutions, one or more additional classes or series of stock of the Corporation, and to determine and fix the distinguishing characteristics and the relative rights, preferences, privileges and other terms of the shares thereof. Any such class or series of stock may rank on a parity with or junior to the Series B Preferred Stock as to payment of dividends when due or upon liquidation or otherwise. No such class or series of stock of the Corporation may rank prior to the Series B Preferred Stock as to payment of dividends when due or upon liquidation or otherwise.

**9. Miscellaneous**

(a) Any stock of any class or series of the Corporation shall be deemed to rank:

(i) on a parity with shares of the Series B Preferred Stock, either as to the payment of dividends when due or upon liquidation, whether or not the dividend rates or amounts, dividend payment dates or redemption of liquidation prices per share, if any, be different from those of the Series B Preferred Stock, if the holders of such class or series shall be

entitled to the receipt of dividends or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, as the case may be, in proportion to their respective dividend rates or amounts or liquidation prices, without preference or priority, one over the other, as between the holders of such class or series and the holders of shares of the Series B Preferred Stock; and

(ii) junior to shares of the Series B Preferred Stock, either as to the payment of dividends when due or upon liquidation, if such class or series shall be Common Stock, or if the holders of shares of the Series B Preferred Stock shall be entitled to receipt of dividends when due or of amounts distributable upon dissolution, liquidation or winding up of the Corporation, as the case may be, in preference or priority to the holders of shares of such class or series.

(b) The Corporation and any agent of the Corporation may deem and treat the holder of a share or shares of Series B Preferred Stock, as shown in the Corporation's books and records, as the absolute owner of such share or shares of Series B Preferred Stock for the purpose of receiving payment of dividends when due in respect of such share or shares of Series B Preferred Stock and for all other purposes whatsoever, and neither the Corporation nor any agent of the Corporation shall be affected by any notice to the contrary. All payments made to or upon the order of any such persons shall be valid and, to the extent of the sum or sums so paid, effectual to satisfy and discharge liabilities for moneys payable by the Corporation on or with respect to any such share or shares of Series B Preferred Stock.

(c) The shares of the Series B Preferred Stock, when duly issued, shall be fully paid and non-assessable.

(d) For purposes of this Certificate, the term "the Corporation" means SLM Corporation and any successor thereto by operation of law or by reason of a merger, consolidation or combination.

(e) Any notice, demand or other communication which by any provision of this Certificate is required or permitted to be given or served to or upon the Corporation shall be given or served in writing addressed (unless and until another address shall be published by the Corporation) to SLM Corporation, 12061 Bluemont Way, Reston, Virginia 20190, Attn: General Counsel's Office. Such notice, demand or other communication to or upon the Corporation shall be deemed to have been sufficiently given or made only upon actual receipt of a writing by the Corporation. Any notice, demand or other communication which by any provision of this Certificate is required or permitted to be given or served by the Corporation hereunder may be given or served by being deposited first class, postage prepaid, in the United States mail addressed (i) to the holder as such holder's name and address may appear at such time in the books and records of the Corporation or (ii) to a person or entity other than a holder of record of the Series B Preferred Stock, to such person or entity at such address as appears to the Corporation to be appropriate at such time. Such notice, demand or other communication shall be deemed to have been sufficiently given or made, for all purposes, upon mailing.

(f) The Corporation, by or under the authority of the Board of Directors, may amend, alter, supplement or repeal any provision of this Certificate pursuant to applicable law and the following terms and conditions:

(i) Without the consent of the holders of the Series B Preferred Stock, the Corporation may amend, alter, supplement or repeal any provision of this Certificate to cure any ambiguity, to correct or supplement any term that may be defective or inconsistent with any other terms, or to make any other provisions so long as such action does not materially and adversely affect the rights, preferences, privileges or voting power of the holders of the Series B Preferred Stock.

(ii) With the consent of the holders of at least 66-2/3% of all of the shares of the Series B Preferred Stock at the time outstanding, given in person or by proxy, either in writing or by a vote at a meeting called for the purpose at which the holders of shares of the Series B Preferred Stock shall vote together as a class, shall be necessary for authorizing, effecting or validating the amendment, alteration, supplementation or repeal of the provisions of this Certificate if such amendment, alteration, supplementation or repeal would materially and adversely affect the powers, preferences, rights, privileges, qualifications, limitations, restrictions, terms or conditions of the Series B Preferred Stock. The creation and issuance of any other class or series of stock, or the issuance of additional shares of any existing class or series of stock of the Corporation (including the Series B Preferred Stock), whether ranking on parity with or junior to the Series B Preferred Stock, shall not be deemed to constitute such an amendment, alteration, supplementation or repeal.

(iii) Holders of the Series A Preferred Stock shall be entitled to one vote per share on matters on which their consent is required pursuant to subparagraph (i) of this paragraph (f). In connection with any meeting of such holders, the Board of Directors shall fix a record date, neither earlier than 60 days nor later than 10 days prior to the date of such meeting, and holders of record of shares of the Series B Preferred Stock on such record date shall be entitled to notice of and to vote at any such meeting and any adjournment. The Board of Directors, or such person or persons as it may designate, may establish reasonable rules and procedures as to the solicitation of the consent of holders of the Series B Preferred Stock at any such meeting or otherwise, which rules and procedures shall conform to the requirements of any national securities exchange on which the Series B Preferred Stock may be listed at such time.

(g) RECEIPT AND ACCEPTANCE OF A SHARE OR SHARES OF THE SERIES B PREFERRED STOCK BY OR ON BEHALF OF A HOLDER SHALL CONSTITUTE THE UNCONDITIONAL ACCEPTANCE BY THE HOLDER (AND ALL OTHERS HAVING BENEFICIAL OWNERSHIP OF SUCH SHARE OR SHARES) OF ALL OF THE TERMS AND PROVISIONS OF THIS CERTIFICATE. NO SIGNATURE OR OTHER FURTHER MANIFESTATION OF ASSENT TO THE TERMS AND PROVISIONS OF THIS CERTIFICATE SHALL BE NECESSARY FOR ITS OPERATION OR EFFECT AS BETWEEN THE CORPORATION AND THE HOLDER (AND ALL SUCH OTHERS).



SLM CORPORATION  
12061 BLUEMONT WAY  
RESTON, VIRGINIA 20190

CAROL RAKATANSKY  
VICE PRESIDENT AND CORPORATE SECRETARY  
(703) 984-5405

May 22, 2009

SLM Corporation Board of Directors  
12061 Bluemont Way  
Reston, VA 20190

Re: Registration Statement on Form S-8

Ladies and Gentlemen:

I am Vice President and Corporate Secretary of SLM Corporation, a Delaware corporation (the "Corporation"). The Corporation is about to register with the Securities and Exchange Commission on a registration statement on Form S-8 (the "Registration Statement") under the Securities Act of 1933, as amended, (a) 1,000,000 shares of the Company's Common Stock, par value \$.20 per share ("Common Stock"), to be issued under the SLM Corporation Directors Equity Plan; and (b) shares of Common Stock to be issued under the SLM Corporation 2009-2012 Incentive Plan, consisting of (i) 10,000,000 shares of Common Stock and (ii) any shares of Common Stock authorized to be issued under the SLM Corporation Incentive Plan and the SLM Corporation Management Incentive Plan (the "Prior Plans") that are not actually issued under the Prior Plans by reason of cancellation, forfeiture or net-settlement of awards. The shares registered (the "Shares") may be offered and sold under the SLM Corporation Directors Equity Plan and the SLM Corporation 2009-2012 Incentive Plan (the "Plans").

As Vice President and Corporate Secretary for the Corporation, I am familiar with its Certificate of Incorporation, as amended, and Bylaws, as amended. I have examined the Plans and the Registration Statement.

I have also examined and relied upon such corporate records of the Corporation and other documents and certificates with respect to factual matters as I have deemed necessary to render the opinion expressed herein. With respect to the documents I have reviewed, I have assumed, without independent verification, the genuineness of all signatures, the authenticity of all documents submitted to me as originals, and the conformity with originals of all documents submitted to me as copies. As to any facts material to this opinion that I did not independently establish or verify, I have relied upon statements and representations of other officers and representatives of the Corporation.

Based upon my examination mentioned above, I am of the opinion that all necessary corporate proceedings by the Corporation have been duly taken to authorize the issuance of the

Shares pursuant to the Plans and that the Shares being registered pursuant to the Registration Statement, when issued and paid for in accordance with the terms of the Plans, will be duly authorized, validly issued, fully paid and nonassessable.

This letter expresses my opinion as to the provisions of the Delaware General Corporation Law governing the authorization and issuance of stock, but does not extend to the securities or "Blue Sky" laws of Delaware or any other jurisdiction or to federal securities laws or to other laws.

I hereby consent to the filing of this opinion as part of the Registration Statement. In giving this consent, I do not thereby admit that I am within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the Rules and Regulations of the Securities and Exchange Commission thereunder. This opinion is intended solely for your use in connection with the transactions described above. No other person may rely on this opinion for any other purpose without my prior written consent.

Very truly yours,

/s/ Carol Rakatansky

Carol Rakatansky

Vice President and Corporate Secretary

**SLM CORPORATION  
DIRECTORS EQUITY PLAN**

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**SECTION 1. PURPOSE**

The purpose of the SLM Directors Equity Plan (the "Plan") is to advance the interests of SLM Corporation (the "Corporation"), by enabling the Corporation to attract, retain and motivate qualified individuals to serve on the Corporation's Board of Directors and to align the financial interests of such individuals with those of the Corporation's shareholders by providing for or increasing their proprietary interest in the Corporation. The Plan assists Non-Employee Directors in meeting their share ownership guidelines.

**SECTION 2. DEFINITIONS**

"Awards" means Stock Options, as defined below, and/or Stock Awards, as defined below, granted to Non-Employee Directors under this Plan. Stock Options granted pursuant to this Plan are not qualified under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code").

"Board" means the Board of Directors of the Corporation.

"Committee" means the Board and/or a committee of the Board acting pursuant to its authorization to administer this Plan under Section 10.

"Common Stock" means the Corporation's Common Stock, par value \$.20, as presently constituted, subject to adjustment as provided in Section 11.

"Fair Market Value" means, as of any date, and unless the Committee shall specify otherwise, the closing market price for the Common Stock reported for that date on the composite tape for securities listed on the national exchange on which the Corporation's common stock is primarily listed (the "National Exchange"), or if the Common Stock did not trade on the National Exchange on the date in question, then for the next preceding date for which the Common Stock traded on the National Exchange.

"Non-Employee Director" means a member of the Board or a member of the Board of Directors of a subsidiary of the Corporation who is not at the time also an employee of the Corporation or any of its direct or indirect majority-owned subsidiaries (regardless of whether such subsidiary is organized as a Corporation, partnership or other entity). For purposes of this Plan, the Chairman of the Board's status as an employee shall be determined by the Committee.

**SECTION 3. SHARES SUBJECT TO THE PLAN**

Subject to adjustment as provided in Section 11, the maximum number of shares of Common Stock (the "Shares") which may be issued pursuant to this Plan shall not exceed 1,000,000. The aggregate number of Shares issued under this Plan at any time shall equal the number of Shares actually issued upon exercise or settlement of an Award less any Shares returned to the Corporation upon cancellation, expiration or forfeiture of an Award and less any Shares delivered to the Corporation by or on behalf of a Participant (either actually or by attestation) in payment or satisfaction of the purchase price, exercise price or tax obligation of an Award.

**SECTION 4. PARTICIPANTS**

Any person who is a Non-Employee Director shall be eligible for Awards in consideration for his or her service (a "Participant").

## SECTION 5. AWARDS

5.1 **Stock Options:** A Stock Option is a right granted under this Plan to purchase a number of Shares at such exercise price, at such times, and on such other terms and conditions as are specified in or determined pursuant to the agreement evidencing the Stock Option (the "Option Agreement").

5.2 **Stock Award:** A Stock Award is an award of Shares made under this Plan, the grant, issuance, retention and/or vesting of which is subject to such performance or other conditions as are expressed in the document evidencing the Stock Award (the "Stock Award Agreement").

## SECTION 6. STOCK OPTION GRANTS

6.1 **Option Agreement.** Each Option Agreement shall contain provisions regarding (a) the number of Shares which may be issued upon exercise of the Stock Option, (b) the purchase price of the Shares and the means of payment for the Shares, (c) the term of the Stock Option, (d) such terms and conditions of exercisability as may be determined from time to time by the Committee, (e) restrictions on the transfer of the Option and forfeiture provisions, and (f) such further terms and conditions, in each case not inconsistent with the Plan as may be determined from time to time by the Committee.

6.2 **Option Price.** The purchase price per share of the Shares subject to each Stock Option granted under the Plan shall equal or exceed 100 percent of the fair market value of such Shares on the date the Stock Option is granted.

6.3 **Option Term.** The "Term" of each Stock Option granted under the Plan shall not exceed ten (10) years from the date of its grant.

6.4 **Option Vesting.** Stock Options granted under the Plan shall be exercisable at such time and in such installments during the period prior to the expiration of the Stock Option's Term as determined by the Board in its sole discretion. The Board shall have the right to make the timing of the ability to exercise any Stock Option granted under the Plan subject to such performance requirements as deemed appropriate by the Board. At any time after the grant of a Stock Option the Board may, in its sole discretion, reduce or eliminate any restrictions surrounding any Participant's right to exercise all or part of the Stock Option.

### 6.5 **Option Exercise.**

(a) **Partial Exercise.** An exercisable Stock Option may be exercised in whole or in part. However, a Stock Option shall not be exercisable with respect to fractional Shares and the Board may require, by the terms of the Option Agreement, a partial exercise to include a minimum number of Shares.

(b) **Manner of Exercise.** All or a portion of an exercisable Stock Option shall be deemed exercised upon delivery to the representative of the Corporation designated for such purpose by the Committee all of the following: (i) notice of exercise in such form as the Committee authorizes specifying the number of Shares to be purchased by the Participant, (ii) payment or provision for payment of the exercise price for such number of Shares, (iii) such representations and documents as the Committee, in its sole discretion, deems necessary or advisable to effect compliance with all applicable provisions of the Securities Act of 1933, as amended, and any other federal, state or foreign securities laws or regulations, (iv) in the event that the Stock Option shall be exercised by any person or persons other than the Participant, appropriate proof of the right of such person or persons to exercise the Stock Option, and (v) such representations and documents as the Committee, in its sole discretion, deems necessary or advisable to provide for tax withholding pursuant to Section 13, if applicable. Unless provided otherwise by the Committee, no Participant shall have any right as a shareholder with respect to any Shares purchased pursuant to any Stock Option until the registration of Shares in the name of such person, and no adjustment shall be made for dividends (ordinary or extraordinary, whether in cash, securities or other property) or distributions or other rights for which the record date is prior to the date such Shares are so registered.

(c) **Payment of Exercise Price.** To the extent authorized by the Committee, the exercise price of a Stock Option may be paid in the form of one of more of the following, either through the terms of the

Option Agreement or at the time of exercise of a Stock Option: (i) cash or certified or cashiers' check, (ii) Shares that have been held by the Participant for such period of time as the Committee may specify, (iii) other property deemed acceptable by the Committee, (iv) a reduction in the number of Shares or other property otherwise issuable pursuant to such Option, (v) any combination of (i) through (iv).

## **SECTION 7. STOCK AWARDS**

7.1 Each Stock Award Agreement shall contain provisions regarding (a) the number of Shares subject to such Stock Award or a formula for determining such, (b) the length of the restrictive period over which the Stock Award shall vest or may ratably vest, (c) forfeiture provisions, and (d) such further terms and conditions, in each case not inconsistent with the Plan as may be determined from time to time by the Committee.

7.2 Timing and Form of Payment. The Committee shall determine the timing of payment of any Stock Award. The Committee may provide for or, subject to such terms and conditions as the Committee may specify, may permit a Participant to elect for the payment of any Stock Award to be deferred to a specified date or event. The Committee may provide for a Participant to have the option for his or her Stock Award, or such portion thereof as the Committee may specify, to be granted in whole or in part in Shares or Stock Units.

## **SECTION 8. STOCK UNITS**

8.1 Stock Units. A "Stock Unit" is a bookkeeping entry representing an amount equivalent to the fair market value of one share of Common Stock. Stock Units represent an unfunded and unsecured obligation of the Corporation, except as otherwise provided for by the Committee.

8.2 Grant of Stock Units. Stock Units may be issued in payment and satisfaction of any Share Award.

## **SECTION 9. CHANGE OF CONTROL**

9.1 Effect of Change of Control. The Committee may through the terms of an Award or otherwise provide that any or all of the following shall occur, either immediately upon the Change of Control or a Change of Control Transaction of : (a) in the case of a Stock Option, the Participant's ability to exercise any portion of the Stock Option not previously exercisable, and (b) in the case of a Stock Award or Stock Units, the lapse and expiration on any conditions to the grant, issuance, retention, vesting or transferability of, or any other restrictions applicable to, such Award. The Committee also may, through the terms of the Award or otherwise, provide for an absolute or conditional exercise, payment or lapse of conditions or restrictions on an Award which shall only be effective if, upon the announcement of a Change of Control Transaction, no provision is made in such Change of Control Transaction for the exercise, payment or lapse of conditions or restrictions on the Award, or other procedure whereby the Participant may realize the full benefit of the Award.

9.2 Definitions. Unless the Committee or the Board shall provide otherwise, "Change of Control" shall mean an occurrence of any of the following events: (a) an acquisition (other than directly from the Corporation) of any voting securities of the Corporation (the "Voting Securities") by any "person or group" (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) other than an employee benefit plan of the Corporation, immediately after which such Person has "Beneficial Ownership" (within the meaning of Rule 13d-3 under the Exchange Act) of more than fifty percent (50%) of the combined voting power of the Corporation's then outstanding Voting Securities; or (b) the consummation of (i) a merger, consolidation or reorganization involving the Corporation, unless the Corporation resulting from such merger, consolidation or reorganization (the "Surviving Corporation") shall adopt or assume this Plan and a Participant's Awards under the Plan and either (A) the shareholders of the Corporation immediately before such merger, consolidation or reorganization own, directly or indirectly immediately following such merger, consolidation or reorganization, at least seventy-five percent (75%) of the combined voting power of the Surviving Corporation in substantially the same proportion as their ownership immediately before such merger, consolidation or reorganization, or (B) at least a majority of the members of the Board of Directors of the Surviving Corporation were directors of the Corporation immediately prior to the execution of the agreement providing for such merger, consolidation or reorganization, or (ii) a complete liquidation or dissolution of the Corporation. "Change of Control Transaction" shall mean the



consummation of any tender offer, offer, exchange offer, solicitation, merger, consolidation, reorganization or other transaction which result in a Change of Control.

#### **SECTION 10. ADMINISTRATION OF THE PLAN**

The Plan shall be administered by the Board, except that as provided herein the Plan may be administered by the Compensation and Personnel Committee (the "Committee") of the Board, as appointed from time to time by the Board. The Board shall fill vacancies on and from time to time may remove or add members to the Committee. The Committee shall act pursuant to a majority vote or unanimous written consent.

Subject to the express provisions of this Plan, the Committee shall be authorized and empowered to do all things necessary or desirable in connection with the administration of this Plan, including, without limitation: (a) to prescribe, amend and rescind rules relating to this Plan and to define terms not otherwise defined herein; (b) to prescribe the form of documentation used to evidence any Stock Option or Stock Award awarded hereunder, including provision for such terms as it considers necessary or desirable, not inconsistent with the terms established by the Board; (c) to establish and verify the extent of satisfaction of any conditions to exercisability applicable to Stock Options or to receipt or vesting of Stock Awards; (d) to determine whether, and the extent to which, adjustments are required pursuant to Section 11 hereof; and (e) to interpret and construe this Plan, any rules and regulations under the Plan and the terms and conditions of any Stock Option or Stock Award awarded hereunder, and to make exceptions to any procedural provisions in good faith and for the benefit of the Corporation. Notwithstanding any provision of this Plan, the Board may at any time limit the authority of the Committee to administer this Plan.

All decisions, determinations and interpretations by the Board or, except as to the Board, the Committee regarding the Plan, any rules and regulations under the Plan and the terms and conditions of any Stock Option or Stock Award awarded hereunder, shall be final and binding on all Participants and holders of Stock Options and Stock Awards. The Board and the Committee may consider such factors as it deems relevant, in its sole and absolute discretion, in making such decisions, determinations and interpretations including, without limitation, the recommendations or advice of any officer or other employee of the Corporation and such attorneys, consultants and accountants as it may select.

#### **SECTION 11. ADJUSTMENT OF AND CHANGES IN THE STOCK**

If the outstanding securities of the class then subject to this Plan are increased, decreased or exchanged for or converted into cash, property or a different number or kind of shares or securities, or if cash, property or shares or securities are distributed in respect of such outstanding securities, in either case as a result of a reorganization, reclassification, dividend (other than a regular, quarterly cash dividend) or other distribution, stock split, reverse stock split, spin-off or the like, or if substantially all of the property and assets of the Corporation are sold, then the maximum number and type of shares or other securities that may be issued under this Plan shall be appropriately adjusted. The Committee shall determine in its sole discretion the appropriate adjustment to be effected pursuant to the immediately preceding sentence. In addition, in connection with any such change in the class of securities then subject to this Plan, the Committee shall make equitable adjustments in the number and type of shares or other securities or cash or other property that may be acquired pursuant to stock options and stock grants theretofore awarded under this Plan and the exercise price of such stock options or price, if any, of such stock grants.

No right to purchase or receive fractional shares shall result from any adjustment in stock options or stock grants pursuant to this Section 11. In case of any such adjustment, the shares subject to the stock option or stock grant shall be rounded up to the nearest whole share of Common Stock.

#### **SECTION 12. REGISTRATION, LISTING OR QUALIFICATION OF STOCK**

In the event that the Board or the Committee determines in its discretion that the registration, listing or qualification of the Shares issuable under the Plan on any securities exchange or under any applicable law

or governmental regulation is necessary as a condition to the issuance of such shares under the Stock Option or Stock Award, the Stock Option or Stock Award shall not be exercisable or exercised in whole or in part unless such registration, listing, qualification, consent or approval has been unconditionally obtained.

### **SECTION 13. TAXES**

The Board or Committee may make such provisions or impose such conditions as it may deem appropriate for the withholding or payment by a Participant of any taxes which it determines are necessary or appropriate in connection with any issuance of shares under this Plan, and the rights of a holder of a Stock Option or Stock Award in any Shares are subject to satisfaction of such conditions. The Corporation shall not be required to issue Shares or to recognize the disposition of such Shares until such obligations are satisfied. At the Participant's election, any such obligations may be satisfied by having the Corporation withhold a portion of the shares of Common Stock that otherwise would be issued to the holder of the Stock Option or Stock Award upon exercise of the Stock Option or vesting or receipt of the Stock Award or by surrendering to the Corporation Shares previously acquired. The Corporation and any affiliate of the Corporation shall not be liable to a Participant or any other persons as to any tax consequence expected, but not realized, by any Participant or other person due to the receipt of any stock options or shares awarded hereunder.

### **SECTION 14. ARBITRATION AND APPLICABLE LAW**

Any claim, dispute or other matter in question of any kind relating to this Plan shall be settled by arbitration before a single arbitrator and otherwise conducted in accordance with the Rules of the American Arbitration Association, which proceedings shall be held in the city in which the Corporation's executive offices are located. Notice of demand for arbitration shall be made in writing to the opposing party and to the American Arbitration Association within a reasonable time after the claim, dispute or other matter in question has arisen. In no event shall a demand for arbitration be made after the date when the applicable statute of limitations would bar the institution of a legal or equitable proceeding based on such claim, dispute or other matter in question. The decision of the arbitrator shall be final and may be enforced in any court of competent jurisdiction. This Plan and any rights hereunder shall be interpreted and construed in accordance with the laws of the State of Delaware and applicable federal law.

### **SECTION 15. EFFECTIVE DATE, AMENDMENT AND TERMINATION OF PLAN**

This Plan shall become effective upon its adoption by the Board, subject to approval by a majority of the outstanding shares of the Corporation present, or represented by proxy, and entitled to vote at a meeting of the Corporation's shareholders. Unless earlier suspended or terminated by the Board, no Stock Options or Stock Awards may be awarded after the third anniversary of the date the Plan is approved by the Corporation's shareholders. The Board may periodically amend the Plan as determined appropriate, without further action by the Corporation's shareholders except to the extent required by applicable law.

The Board may amend, alter or discontinue the Plan or any agreement evidencing an Award made under the Plan, but no such amendment shall, without the approval of the shareholders of the Corporation:

- (a) materially increase the number of Shares that may be issued under the Plan;
- (b) permit granting of Stock Options at less than fair market value;
- (c) reduce or adjust downward the exercise price of outstanding Stock Options, whether through amendment, cancellation or replacement grants, or any other means;
- (d) impair the rights of any participant without his or her consent;
- (e) change the class of individuals eligible for the Plan;

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(f) extend the term of the Plan; and

(g) otherwise amend the Plan in any manner if not permitted to do so by law or the NYSE listing requirements without such shareholder approval.

**SLM CORPORATION**  
**2009-2012 INCENTIVE PLAN**

**SECTION 1. PURPOSE OF PLAN**

The purpose of the SLM Corporation 2009-2012 Incentive Plan ("Plan") is to enable SLM Corporation (the "Corporation") to attract, retain and motivate its employees and to further align the interests of the Corporation's employees with those of the shareholders of the Corporation by providing for or increasing their proprietary interest in the Corporation.

**SECTION 2. ADMINISTRATION OF THE PLAN**

2.1 Composition of Committee. The Plan shall be administered by the Board of Directors and/or the Compensation and Personnel Committee of the Board of Directors of SLM Corporation (the "Committee"). The Committee shall act pursuant to a majority vote or unanimous written consent. Notwithstanding the foregoing, with respect to any Award that is not intended to satisfy the conditions of Rule 16b-3 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") or Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"), the Committee may appoint one or more separate committees (any such committee, a "Subcommittee") composed of one or more directors of the Corporation, (who may but need not be members of the Committee) and may delegate to any such Subcommittee(s) the authority to grant Awards, as defined in Section 5.1 hereof, under the Plan to Employees, as defined in Section 4, to determine all terms of such Awards, and/or to administer the Plan or any aspect of it. Any action by any such Subcommittee within the scope of such delegation shall be deemed for all purposes to have been taken by the Committee. The Committee hereby designates the Secretary of the Corporation and the head of the Corporation's human resource function to assist the Committee in the administration of the Plan, and may grant authority to such persons to execute agreements evidencing Awards made under this Plan or other documents entered into under this Plan on behalf of the Committee or the Corporation. In addition, the Committee may delegate any or all aspects of the day-to-day administration of the Plan to one or more officers or employees of the Corporation, and/or to one or more agents.

2.2 Powers of the Committee. Subject to the express provisions of this Plan, the Committee shall be authorized and empowered to do all things necessary or desirable in connection with the administration of this Plan with respect to the Awards over which such Committee has authority, including, without limitation, the following:

(a) to prescribe, amend and rescind rules and regulations relating to this Plan and to define terms not otherwise defined herein; provided that, unless the Committee shall specify otherwise, for purposes of this Plan (i) the term "fair market value" shall mean, as of any date, the closing price for a Share, as defined in Section 3.1 hereof, reported for that date on the composite tape for securities listed on national exchange on which the Corporation's common stock is primarily listed (the "National Exchange"), or if the Common Stock did not trade on the National Exchange on the date in question, then for the next preceding date for which the Common Stock traded on the National Exchange; and (ii) the term "Corporation" shall mean SLM Corporation and its subsidiaries and affiliates, unless the context otherwise requires;

(b) to determine the Employees to whom Awards shall be granted hereunder and the timing of any such Awards;

(c) to grant Awards and determine the terms and conditions thereof, including the number of Shares subject to Awards and the exercise or purchase price of such Shares and the circumstances under which Awards become exercisable or vested or are forfeited or expire, which terms may but need not be conditioned upon the passage of time, continued employment, the satisfaction of performance criteria, the occurrence of certain events, or other factors;

(d) to establish and verify the extent of satisfaction of any performance goals applicable to Awards or other conditions applicable to the grant, issuance, exercisability, vesting and/or ability to retain any Award;

(e) to prescribe and amend the terms of the agreements evidencing Awards made under this Plan (which need not be identical) and the terms of or form of any document or notice required to be delivered to the Corporation by Participants under this Plan;

(f) to determine the extent to which adjustments are required pursuant to Section 12 hereof;

(g) to interpret and construe this Plan, any rules and regulations under the Plan and the terms and conditions of any Award granted hereunder, and to make exceptions to any such provisions if the Committee, in good faith, determines that it is necessary to do so in light of extraordinary circumstances and for the benefit of the Corporation;

(h) to approve corrections in the documentation or administration of any Award;

(i) to require or permit Participant elections and/or consents under this Plan to be made by means of such electronic media as the Committee may prescribe; and

(j) to make all other determinations deemed necessary or advisable for the administration of the Plan.

The Committee may, in its sole and absolute discretion, without amendment to the Plan, waive or amend the operation of Plan provisions respecting exercise after termination of employment or service to the Corporation or an Affiliate and, except as otherwise provided herein, adjust any of the terms of any Award. The Committee may also (A) accelerate the date on which any Award granted under the Plan becomes exercisable or (B) accelerate the vesting date or waive or adjust any condition imposed hereunder with respect to the vesting or exercisability of an Award, provided that the Committee, in good faith, determines that such acceleration, waiver or other adjustment is necessary or desirable in light of extraordinary circumstances.

**2.3 Determinations of the Committee.** All decisions, determinations and interpretations by the Committee or the Board regarding the Plan, any rules and regulations under the Plan and the terms and conditions of or operation of any Award granted hereunder, shall be final and binding on all Participants, beneficiaries, heirs, assigns or other persons holding or claiming rights under the Plan or any Award. The Committee or the Board, as applicable, shall consider such factors as it deems relevant, in its sole and absolute discretion, to making such decisions, determinations and interpretations including, without limitation, the recommendations or advice of any officer of the Corporation or Employee and such attorneys, consultants and accountants as it may select.

**2.4 No Repricing.** Notwithstanding anything in the Plan to the contrary, no Award outstanding under the Plan may be repriced, regranted through cancellation, including cancellation in exchange for cash or other Awards, or otherwise amended to reduce the exercise price applicable thereto (other than with respect to adjustments made in connection with a transaction or other change in the Corporation's capitalization as described in Section 12) without the approval of the Corporation's shareholders.

### **SECTION 3. STOCK SUBJECT TO PLAN**

**3.1 Aggregate Limits.** Subject to adjustment as provided in Section 12, at any time, the aggregate number of shares of the Corporation's common stock, \$.20 par value ("Shares"), issued and issuable pursuant to all Awards granted under this Plan shall not exceed 10,000,000, plus any Shares authorized to be issued under the SLM Corporation Incentive Plan and the SLM Corporation Management Incentive Plan (the "Prior Plans") that are not actually issued under the Prior Plans by reason of cancellation, forfeiture or net-settlement of Awards. The Shares subject to the Plan may be either Shares reacquired by the Corporation, including Shares purchased in the open market, or authorized but unissued Shares.

**3.2 Code Section 162(m) Limits.** The maximum amount payable pursuant to that portion of an Incentive Bonus Award granted under this Plan for any calendar year to any Employee that is intended to satisfy the requirements for "performance based compensation" under Code Section 162(m) shall not exceed three million dollars (\$3,000,000). In each calendar year an Employee may be granted Awards under this Plan relating up to his or her Annual Limit. A Participant's Annual Limit, in any calendar year, shall equal one million (1,000,000) shares.

3.3 Issuance of Shares. For purposes of Section 3.1, the aggregate number of Shares issued under this Plan at any time shall equal the number of Shares actually issued upon exercise or settlement of an Award. The aggregate number of Shares available for Awards under this Plan at any time shall not be reduced by (i) Shares subject to Awards that have been terminated, expired unexercised, forfeited or settled in cash, (ii) Shares subject to Awards (or Prior Plan Awards) that have been retained or withheld by the Corporation in payment or satisfaction of the exercise price, purchase price or tax withholding obligation of an Award (or Prior Plan Award), or (iii) Shares subject to Awards (or Prior Plan Awards) that otherwise do not result in the issuance of Shares in connection with payment or settlement thereof. In addition, Shares that have been delivered (either actually or by attestation) to the Corporation in payment or satisfaction of the exercise price, purchase price or tax withholding obligation of an Award (or Prior Plan Award) shall be available for Awards under this Plan.

#### **SECTION 4. PERSONS ELIGIBLE UNDER PLAN**

Only employees of the Corporation shall be eligible to be considered for the grant of Awards under the Plan. For purposes of the administration of Awards, the term “Employee” shall also include a former Employee or any person (including any estate) who is a beneficiary of a former Employee. A “Participant” is any Employee to whom an Award has been made and any person (including any estate) to whom an Award has been assigned or transferred pursuant to Section 11.1.

#### **SECTION 5. PLAN AWARDS**

5.1 Award Types. The following arrangements or benefits are authorized under the Plan if their terms and conditions are not inconsistent with the provisions of the Plan: Stock Options, Stock Appreciation Rights, Incentive Bonuses, Performance Stock, Performance Stock Units, Restricted Stock and Restricted Stock Units. Such arrangements and benefits are sometimes referred to herein as “Awards.” Incentive Bonuses, Performance Stock, Performance Stock Units, Restricted Stock and Restricted Stock Units are also referred to as “Share Awards”. Each type of Award is defined as follows:

*Stock Options:* A Stock Option is a right granted under Section 6 to purchase a number of Shares at such exercise price, at such times, and on such other terms and conditions as are specified in or determined pursuant to the agreement evidencing the Award (the “Award Agreement”). Options intended to qualify as Incentive Stock Options (“ISOs”) pursuant to Code Section 422 and Options which are not intended to qualify as ISOs (“Non-qualified Options”) may be granted under Section 6 as the Committee in its sole discretion shall determine.

*Stock Appreciation Rights:* A Stock Appreciation Rights is a right granted under Section 7 that entitles the Participant to receive, in cash or Shares or a combination thereof, as determined by the Committee, value equal to or otherwise based on the excess of (i) the fair market value of a specified number of Shares at the time of exercise over (ii) the exercise price of the right, as established by the Committee on the date of grant, at such times, and on such other terms and conditions as are specified in or determined pursuant to the Award Agreement evidencing the Award.

*Incentive Bonus:* An Incentive Bonus is a bonus opportunity awarded under Section 8 pursuant to which an Employee may become entitled to receive an amount based on satisfaction of such performance criteria as are specified in the Award Agreement evidencing the Award.

*Performance Stock:* Performance Stock is an award of Shares made under Section 9, the grant, issuance, retention and/or vesting of which is subject to such performance and other conditions as are expressed in the Award Agreement evidencing the Award.

*Performance Stock Units:* A Performance Stock Unit is an award made under Section 9 denominated in units of Shares under which the issuance of Shares (or cash in lieu thereof) is subject to such performance and other conditions as are expressed in the Award Agreement evidencing the Award.

*Restricted Stock:* Restricted Stock is an award of Shares made under Section 10, the grant, issuance, retention and/or vesting of which is subject to certain restrictions, as are appropriate in the Award Agreement evidencing the Award.

*Restricted Stock Units:* A Restricted Stock Unit is an award made under Section 10 denominated in units of Shares under which the issuance of Shares (or cash in lieu thereof) is subject to such conditions (including continued employment) and terms as the Committee deems appropriate in the Award Agreement evidencing the Award.

5.2 Grants of Awards. An Award may consist of one such arrangement or benefit or two or more of them in tandem or in the alternative.

## SECTION 6. STOCK OPTION GRANTS

The Committee may grant an Option or provide for the grant of an Option, either from time-to-time in the discretion of the Committee or automatically upon the occurrence of specified events, including, without limitation, the achievement of performance goals, the satisfaction of an event or condition within the control of the recipient of the Award, within the control of others or not within the person's control.

6.1 Award Agreement. Each Award Agreement evidencing an Option shall contain provisions regarding (a) the number of Shares which may be issued upon exercise of the Option, (b) the purchase price of the Shares and the means of payment for the Shares, (c) the term of the Option, (d) such terms and conditions of exercisability as may be determined from time to time by the Committee, (e) restrictions on the transfer of the Option and forfeiture provisions, and (f) such further terms and conditions, in each case not inconsistent with the Plan as may be determined from time to time by the Committee. Award Agreements evidencing ISOs shall contain such terms and conditions as may be necessary to comply with the applicable provisions of Section 422 of the Code.

6.2 Option Price. The purchase price per Share of the Shares subject to each Option granted under the Plan shall equal or exceed 100 percent of the fair market value of such Stock on the date the Option is granted, except that in the case of Options granted to employees upon a merger or acquisition, the purchase price may be higher or lower than the fair market value of the Stock on the date the Option is granted if such purchase price is required to assume or substitute options held by employees of the acquired Corporation at the time of the acquisition.

6.3 Option Term. The "Term" of each Option granted under the Plan, including any ISOs, shall not exceed ten (10) years from the date of its grant.

6.4 Option Vesting. Options granted under the Plan shall be exercisable at such time and in such installments during the period prior to the expiration of the Option's Term as determined by the Committee in its sole discretion. The Committee shall have the right to make the timing of the ability to exercise any Option granted under the Plan subject to such performance requirements as deemed appropriate by the Committee. At any time after the grant of an Option the Committee may, in its sole discretion, reduce or eliminate any restrictions surrounding any Participant's right to exercise all or part of the Option.

6.5 Option Exercise.

(a) *Partial Exercise.* An exercisable Option may be exercised in whole or in part. However, an Option shall not be exercisable with respect to fractional Shares and the Committee may require, by the terms of the Award Agreement, a partial exercise to include a minimum number of Shares.

(b) *Manner of Exercise.* All or a portion of an exercisable Option shall be deemed exercised upon delivery to the representative of the Corporation designated for such purpose by the Committee all of the following: (i) notice of exercise in such form as the Committee authorizes specifying the number of Shares to be purchased by the Participant, (ii) payment or provision for payment of the exercise price for such number of Shares, (iii) such representations and documents as the Committee, in its sole discretion, deems necessary or advisable to effect compliance with all applicable provisions of the Securities Act of 1933, as amended, and any other federal, state or foreign securities laws or regulations, (iv) in the event that the Option shall be exercised pursuant to Section 11.1 by any person or persons other than the Employee, appropriate proof of the right of such person or persons to exercise the Option, and (v) such representations and documents as the Committee, in its sole discretion, deems necessary or advisable to provide for the tax withholding pursuant to Section 14. Unless provided otherwise by the Committee, no Participant shall have any right as a shareholder with respect to any Shares purchased pursuant to any Option until the registration of Shares in the name of such person, and no adjustment shall be made for dividends (ordinary

or extraordinary, whether in cash, securities or other property) or distributions or other rights for which the record date is prior to the date such Shares are so registered.

(c) *Payment of Exercise Price.* To the extent authorized by the Committee, the exercise price of an Option may be paid in the form of one of more of the following, either through the terms of the Award Agreement or at the time of exercise of an Option: (i) cash or certified or cashiers' check, (ii) Shares that have been held by the Participant for such period of time as the Committee may specify, (iii) other property deemed acceptable by the Committee, (iv) a reduction in the number of Shares or other property otherwise issuable pursuant to such Option, (v) any combination of (i) through (iv).

## **SECTION 7. STOCK APPRECIATION RIGHTS**

Stock Appreciation Rights may be granted to Participants from time to time either in tandem with or as a component of other Awards granted under the Plan ("tandem SARs") or not in conjunction with other Awards ("freestanding SARs") and may, but need not, relate to a specific Option granted under Section 6. The provisions of Stock Appreciation Rights need not be the same with respect to each grant or each recipient. Any Stock Appreciation Right granted in tandem with an Award may be granted at the same time such Award is granted or at any time thereafter before exercise or expiration of such Award. All freestanding SARs shall be granted subject to the same terms and conditions applicable to Options as set forth in Section 6 and all tandem SARs shall have the same exercise price, vesting, exercisability, forfeiture and termination provisions as the Award to which they relate. Subject to the provisions of Section 6 and the immediately preceding sentence, the Committee may impose such other conditions or restrictions on any Stock Appreciation Right as it shall deem appropriate. Stock Appreciation Rights may be settled in Shares, cash or a combination thereof, as determined by the Committee and set forth in the applicable Award Agreement.

## **SECTION 8. INCENTIVE BONUS**

Incentive Bonus Awards may be granted at any time and from time to time prior to the termination of the Plan to Participants as determined by the Committee.

8.1 Incentive Bonus Award. Each Incentive Bonus Award shall contain provisions regarding (a) the target and maximum amount payable to the Employee as an Incentive Bonus, (b) the performance criteria and level of achievement versus these criteria which shall determine the amount of such payment, (c) the period as to which performance shall be measured for determining the amount of any payment, (d) the timing of any payment earned by virtue of performance, (e) restrictions on the alienation or transfer of the Incentive Bonus prior to actual payment, (f) forfeiture provisions, and (g) such further terms and conditions, in each case not inconsistent with the Plan as may be determined from time to time by the Committee.

8.2 Performance Criteria. The Committee shall establish the performance criteria and level of achievement versus these criteria, which shall determine the maximum amount payable under an Incentive Bonus Award, which criteria may be based on financial performance and/or personal performance evaluations. The Committee may specify the percentage of the target Incentive Bonus that is intended to satisfy the requirements for "performance-based compensation" under Code Section 162(m). Notwithstanding anything to the contrary herein, the performance criteria for any portion of an Incentive Bonus that is intended by the Committee to satisfy the requirements for "performance-based compensation" under Code Section 162(m) shall be a measure based on one or more Qualifying Performance Criteria (as defined in Section 11.2 hereof) selected by the Committee and specified at the time the Incentive Bonus Award is granted. The Committee shall certify the extent to which any Qualifying Performance Criteria has been satisfied and the amount payable as a result thereof, prior to payment of any Incentive Bonus that is intended by the Committee to satisfy the requirements for "performance-based compensation" under Code Section 162(m).

8.3 Timing and Form of Payment. The Committee shall determine the timing of payment of any Incentive Bonus. The Committee may provide for or, subject to such terms and conditions as the Committee may specify, may permit a Participant to elect for the payment of any Incentive Bonus to be deferred to a specified date or event. The Committee may provide for a Participant to have the option for his or her Incentive Bonus, or such portion thereof as the Committee may specify, to be paid in whole or in part in Shares or Stock Units.



8.4 Discretionary Adjustments. Notwithstanding satisfaction of any performance goals, the amount paid under an Incentive Bonus Award on account of either financial performance or personal performance evaluations may be reduced by the Committee on the basis of such further considerations as the Committee in its sole discretion shall determine.

## **SECTION 9. PERFORMANCE STOCK AND PERFORMANCE STOCK UNITS**

Performance Stock and Performance Stock Units may be granted at any time and from time to time prior to the termination of the Plan to Participants as determined by the Committee.

9.1 Performance Stock Award. Each Performance Stock and Performance Stock Unit Award shall contain provisions regarding (a) the number of Shares subject to such Award or a formula for determining such, (b) the performance criteria and level of achievement versus these criteria which shall determine the number of Shares granted, issued, retainable and/or vested, (c) the period as to which performance shall be measured for determining achievement of performance, provided that such period shall be no shorter than twelve months, (d) forfeiture provisions, and (e) such further terms and conditions, in each case not inconsistent with the Plan as may be determined from time to time by the Committee. Unless determined otherwise by the Committee, each Performance Stock Unit will be equal to one Share and will entitle a Participant to either the issuance of Shares or payment of an amount of cash determined with reference to the value of Shares.

9.2 Performance Criteria. The grant, issuance, retention and/or vesting of each Performance Stock and Performance Stock Unit Award shall be subject to such performance criteria and level of achievement versus these criteria as the Committee shall determine, which criteria may be based on financial performance and/or personal performance evaluations. Notwithstanding anything to the contrary herein, the performance criteria for any Performance Stock and Performance Stock Unit Award that is intended by the Committee to satisfy the requirements for “performance-based compensation” under Code Section 162(m) shall be a measure based on one or more Qualifying Performance Criteria selected by the Committee and specified at the time the Award is granted.

9.3 Timing and Form of Payment. The Committee shall determine the timing of payment of any Performance Stock and Performance Stock Unit Award. The Committee may provide for or, subject to such terms and conditions as the Committee may specify, may permit a Participant to elect for the payment of any Performance Stock and Performance Stock Unit Award to be deferred to a specified date or event.

9.4 Discretionary Adjustments. Notwithstanding satisfaction of any performance goals, the number of Shares granted, issued, retainable and/or vested under a Performance Stock Award on account of either financial performance or personal performance evaluations may be reduced by the Committee on the basis of such further considerations as the Committee in its sole discretion shall determine.

## **SECTION 10. RESTRICTED STOCK**

Restricted Stock and Restricted Stock Units may be granted at any time and from time to time prior to the termination of the Plan to Participants as determined by the Committee.

10.1 Restricted Stock Award. Each Restricted Stock and Restricted Stock Unit Award shall contain provisions regarding (a) the number of Shares subject to such Award or a formula for determining such, (b) the length of the period over which the Award shall vest or may ratably vest, provided that such period shall be no shorter than thirty-six months, other than for reasons set forth in Section 11.7 and Section 13, (c) forfeiture provisions, and (d) such further terms and conditions, in each case not inconsistent with the Plan as may be determined from time to time by the Committee. Notwithstanding anything herein to the contrary, the limitation set forth in clause (b) of the preceding sentence shall not with respect to up to an aggregate of 5% of the Shares authorized for issuance under the Plan, which may be granted (or regranted upon forfeiture) as Restricted Stock and/or Restricted Stock Unit Awards without regard to such minimum vesting requirements. Unless determined otherwise by the Committee, each Restricted Stock Unit will be equal to one Share and will entitle a Participant to either the issuance of Shares or payment of an amount of cash determined with reference to the value of Shares.

10.2 Timing and Form of Payment. The Committee shall determine the timing of payment of any Restricted Stock and Restricted Stock Unit Award. The Committee may provide for or, subject to such terms and conditions as the Committee may specify, may permit a Participant to elect for the payment of any Restricted Stock and Restricted Stock Unit Award to be deferred to a specified date or event.

10.3 Discretionary Adjustments. The number of Shares granted, issued, retainable and/or vested under a Restricted Stock and Restricted Stock Unit Award may be reduced by the Committee on the basis of such further considerations as the Committee in its sole discretion shall determine.

## **SECTION 11. OTHER PROVISIONS APPLICABLE TO AWARDS**

11.1 Transferability. Unless the agreement evidencing an Award (or an amendment thereto authorized by the Committee) expressly states that the Award is transferable as provided hereunder, no Award granted under the Plan, nor any interest in such Award, may be sold, assigned, conveyed, gifted, pledged, hypothecated or otherwise transferred in any manner prior to the vesting or lapse of any and all restrictions applicable thereto, other than by will or the laws of descent and distribution. The Committee may in its sole discretion grant an Award or amend an outstanding Award to provide that the Award is transferable or assignable to a member or members of the Employee's "immediate family," as such term is defined under Exchange Act Rule 16a-1(e), or to a trust for the benefit solely of a member or members of the Employee's immediate family, or to a partnership or other entity whose only owners are members of the Employee's family, provided that (i) no consideration is given in connection with the transfer of such Award, and (2) following any such transfer or assignment the Award will remain subject to substantially the same terms applicable to the Award while held by the Employee, as modified as the Committee in its sole discretion shall determine appropriate, and the Participant shall execute an agreement agreeing to be bound by such terms.

### 11.2 Qualifying Performance Criteria.

(a) The Committee may establish performance criteria and level of achievement versus such criteria that shall determine the number of Shares to be granted, retained, vested, issued or issuable under or in settlement of or the amount payable pursuant to an Award, which criteria may be based on Qualifying Performance Criteria or other standards of financial performance and/or personal performance evaluations. In addition, the Committee may specify that an Award or a portion of an Award is intended to satisfy the requirements for "performance-based compensation" under Section 162(m) of the Code, provided that the performance criteria for such Award or portion of an Award that is intended by the Committee to satisfy the requirements for "performance-based compensation" under Section 162(m) of the Code shall be a measure based on one or more Qualifying Performance Criteria selected by the Committee and specified at the time the Award is granted. The Committee shall certify the extent to which any Qualifying Performance Criteria has been satisfied and the amount payable as a result thereof, prior to payment, settlement or vesting of any Award that is intended to satisfy the requirements for "performance-based compensation" under Section 162(m) of the Code. Notwithstanding satisfaction of any performance goals, the number of Shares issued under or the amount paid under an award may, to the extent specified in the Award Agreement, be reduced, but not increased, by the Committee on the basis of such further considerations as the Committee in its sole discretion shall determine.

(b) For purposes of this Plan, the term "Qualifying Performance Criteria" shall mean any one or more of the following performance criteria, or derivations of such performance criteria, either individually, alternatively or in any combination, applied to either the Corporation as a whole or to a business unit or subsidiary, either individually, alternatively or in any combination, and measured either annually (or over such shorter period) or cumulatively over a period of years, on an absolute basis or relative to a pre-established target, to previous years' results or to a designated comparison group, in each case as specified by the Committee in the Award: (a) cash flow (including operating cash flow, free cash flow, cash flow return on capital, or cash flow per share), (b) core cash earnings per share (including earnings before interest, taxes, depreciation and amortization), (c) return measures (including return on assets, capital, equity, or sales), (d) total shareholder return, (e) productivity ratios, (f) expense targets or ratios, (g) revenue, (h) core cash income or net income, (i) core cash operating income or net operating income, (j) operating profit or net operating profit, (k) gross or operating margin, (l) return on operating revenue, (m) market share, (n) loan volume, (o) overhead or other expense reduction, (p) charge-off levels, (q) deposit growth, (r) margins, (s) operating efficiency, (t) economic value added, (u) customer or employee satisfaction, (v) debt

reduction, (w) capital targets, (x) consummation of acquisitions, dispositions, projects or other specific events or transactions, (y) liquidity, (z) capital adequacy, (aa) ratio of nonperforming to performing assets, (bb) ratio of common equity to total assets, or (cc) regulatory compliance metrics. To the extent consistent with Code Section 162(m), the Committee may appropriately adjust any evaluation of performance under a Qualifying Performance Criteria to exclude any of the following events that occurs during a performance period: (i) asset write-downs, (ii) litigation or claim judgments or settlements, (iii) the effect of changes in tax law, accounting principles or other laws or provisions affecting reported results, (iv) accruals for reorganization and restructuring programs, and (v) any extraordinary non-recurring items as described in Accounting Principles Board Opinion No. 30 and/or in management's discussion and analysis of financial condition and results of operations appearing in the Corporation's annual report to shareholders for the applicable year.

11.3 Dividends. Unless otherwise provided by the Committee, no adjustment shall be made in Shares issuable under Awards on account of cash dividends that may be paid or other rights that may be issued to the holders of Shares prior to their issuance under any Award. The Committee shall specify whether dividends or dividend equivalent amounts shall be paid to any Participant with respect to the Shares subject to any Share Award that have not vested or been issued or that are subject to any restrictions or conditions on the record date for dividends.

11.4 Deferral of Gains. The Committee may, in an Award Agreement or otherwise, provide for the deferred delivery of Shares upon settlement, payment, vesting or other events with respect to Share Awards. Notwithstanding anything herein to the contrary, in no event will any deferral of the delivery of Shares or any other payment with respect to any Award be allowed if the Committee determines, in its sole discretion, that the deferral would result in the imposition of the additional tax under Section 409A(a)(1)(B) of the Code.

11.5 Award Agreements. The Committee shall, subject to applicable law, determine the date an Award is deemed to be granted, which for purposes of this Plan shall not be affected by the fact that an Award is contingent on subsequent shareholder approval of the Plan. The Committee or, except to the extent prohibited under applicable law, its delegate(s) may establish the terms of agreements evidencing Awards under this Plan and may, but need not, require as a condition to any such agreement's effectiveness that such agreement be executed by the Participant and that such Participant agree to such further terms and conditions as specified in such agreement. The grant of an Award under this Plan shall not confer any rights upon the Participant holding such Award other than such terms, and subject to such conditions, as are specified in this Plan as being applicable to such type of Award (or to all Awards) or as are expressly set forth in the Award Agreement evidencing such Award.

11.6 Tandem Stock or Cash Rights. Either at the time an Award is granted or by subsequent action, the Committee may, but need not, provide that an Award shall contain as a term thereof, a right, either in tandem with the other rights under the Award or as an alternative thereto, of the Participant to receive, without payment to the Corporation, a number of Shares, cash or a combination thereof, the amount of which is determined by reference to the value of the Award.

11.7 Termination of Employment. At the time of the grant of an Award, the Committee may provide that upon an Award holder's termination of employment on account of death, Disability or Involuntary Termination, as those terms are defined herein, all unvested Awards held by the Award holder shall vest. "Disability" means total and permanent disability within the meaning of the Corporation's long-term disability policy applicable at the time to the Award holder, as may be amended from time to time. "Involuntary Termination" means termination of employment.

11.8 Misconduct. At the time of the grant of an Award, the Committee may provide that if the Award holder engages in Misconduct, as defined herein, the Award, whether vested or unvested, is forfeited. Whether an Award holder has engaged in Misconduct will be determined by the Corporation's senior human resources officer or his or her designee. Misconduct is defined as an act of embezzlement, fraud, dishonesty, nonpayment of any obligation owed to the Corporation, breach of fiduciary duty or deliberate disregard of Corporation rules; an unauthorized disclosure of any Corporation trade secret or confidential information; any conduct constituting unfair competition; inducing any customer of the Corporation to breach a contract with the Corporation or any principal for whom the Corporation acts as agent to terminate such agency relationship; or engaging in any other act or conduct proscribed by the senior human resources officer as Misconduct.

11.9 Conditions and Restrictions Upon Securities Subject to Awards. The Committee may provide that the Shares issued under an Award shall be subject to such further agreements, restrictions, conditions or limitations as the Committee in its discretion may specify prior to the grant, exercise, vesting or settlement of such Award, including without limitation, conditions on vesting or transferability, forfeiture or repurchase provisions and method of payment for the Shares issued upon exercise, vesting or settlement of such Award (including the actual or constructive surrender of Shares already owned by the Participant) or payment of taxes arising in connection with an Award. Without limiting the foregoing, such restrictions may address the timing and manner of any resales by the Participant or other subsequent transfers by the Participant of any Shares issued under an Award, including without limitation (i) restrictions under an insider trading policy or pursuant to applicable law, (ii) restrictions designed to delay and/or coordinate the timing and manner of sales by Participant and holders of other Corporation equity compensation arrangements, (iii) restrictions as to the use of a specified brokerage firm for such resales or other transfers and (iv) provisions requiring Shares to be sold on the open market or to the Corporation in order to satisfy tax withholding or other obligations.

## **SECTION 12. CHANGES IN CAPITAL STRUCTURE**

If the outstanding securities of the class then subject to this Plan are increased, decreased or exchanged for or converted into cash, property or a different number or kind of shares or securities, or if cash, property or shares or securities are distributed in respect of such outstanding securities, in either case as a result of a reorganization, merger, consolidation, recapitalization, restructuring, reclassification, dividend (other than a regular, quarterly cash dividend) or other distribution, stock split, reverse stock split, spin-off or the like, or if substantially all of the property and assets of the Corporation are sold, then, unless the terms of such transaction shall provide otherwise, the Committee shall make appropriate and proportionate adjustments in (i) the number and type of shares or other securities or cash or other property that may be acquired pursuant to Awards theretofore granted under this Plan and the exercise or settlement price of such Awards, provided, however, that such adjustment shall be made in such a manner that will not affect the status of any Award intended to qualify as an ISO under Code Section 422 or as "performance based compensation" under Code Section 162(m), and (ii) the maximum number and type of shares or other securities that may be issued pursuant to such Awards thereafter granted under this Plan.

## **SECTION 13. CHANGE OF CONTROL**

13.1 Effect of Change of Control. The Committee may through the terms of the Award or otherwise provide that any or all of the following shall occur upon termination of the Employee's employment within twenty-four (24) months following a Change of Control or a Change of Control Transaction: (a) in the case of an Option or Stock Appreciation Right, the Participant's ability to exercise any portion of the Option not previously exercisable, (b) in the case of an Incentive Bonus, the right to receive a payment equal to the target amount payable or, if greater, a payment based on performance through a date determined by the Committee prior to the Change of Control, and (c) in the case of Shares issued in payment of any Incentive Bonus, and/or in the case of Share Awards, the lapse and expiration on any conditions to the grant, issuance, retention, vesting or transferability of, or any other restrictions applicable to, such Award. The Committee also may, through the terms of the Award or otherwise, provide for an absolute or conditional exercise, payment or lapse of conditions or restrictions on an Award which shall only be effective if, upon the announcement of a Change of Control Transaction, no provision is made in such Change of Control Transaction for the exercise, payment or lapse of conditions or restrictions on the Award, or other procedure whereby the Participant may realize the full benefit of the Award. Notwithstanding anything herein to the contrary, in the event of a Change in Control or Change of Control Transaction in which the acquiring or surviving company in the transaction does not assume or continue outstanding Awards upon the Change of Control or Change of Control Transaction, immediately prior to the Change of Control, all Awards that are not assumed or continued shall be treated as follows effective immediately prior to the Change of Control or Change of Control Transaction, as applicable: (a) in the case of an Option or Stock Appreciation Right, the Participant shall have the ability to exercise such Option or Stock Appreciation Right, including any portion of the Option or Stock Appreciation Right not previously exercisable, (b) in the case of an Incentive Bonus, the Participant shall have the right to receive a payment equal to the target amount payable or, if greater, a payment based on performance through a date determined by the Committee prior to the Change of Control, and (c) in the case of Shares issued in payment of any Incentive Bonus, and/or in the case of Share Awards, the lapse and expiration on any conditions to the grant, issuance, retention, vesting or transferability of, or any other restrictions applicable to, such Award.

13.2 Definitions. Unless the Committee or the Board shall provide otherwise, “Change of Control” shall mean an occurrence of any of the following events: (a) an acquisition (other than directly from the Corporation) of any voting securities of the Corporation (the “Voting Securities”) by any “person or group” (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) other than an employee benefit plan of the Corporation, immediately after which such Person has “Beneficial Ownership” (within the meaning of Rule 13d-3 under the Exchange Act) of more than fifty percent (50%) of the combined voting power of the Corporation’s then outstanding Voting Securities; or (b) the consummation of (i) a merger, consolidation or reorganization involving the Corporation, unless the Corporation resulting from such merger, consolidation or reorganization (the “Surviving Corporation”) shall adopt or assume this Plan and a Participant’s Awards under the Plan and either (A) the shareholders of the Corporation immediately before such merger, consolidation or reorganization own, directly or indirectly immediately following such merger, consolidation or reorganization, at least seventy-five percent (75%) of the combined voting power of the Surviving Corporation in substantially the same proportion as their ownership immediately before such merger, consolidation or reorganization, or (B) at least a majority of the members of the Board of Directors of the Surviving Corporation were directors of the Corporation immediately prior to the execution of the agreement providing for such merger, consolidation or reorganization, or (ii) a complete liquidation or dissolution of the Corporation. “Change of Control Transaction” shall mean the consummation of any tender offer, offer, exchange offer, solicitation, merger, consolidation, reorganization or other transaction which result in a Change of Control.

#### **SECTION 14. TAXES**

14.1 Withholding Requirements. The Committee may make such provisions or impose such conditions as it may deem appropriate for the withholding or payment by the Employee or Participant, as appropriate, of any taxes which it determines are required in connection with any Awards granted under this Plan, and a Participant’s rights in any Award are subject to satisfaction of such conditions.

14.2 Payment of Withholding Taxes. Notwithstanding the terms of Section 14.1 hereof, the Committee may provide in the agreement evidencing an Award or otherwise that all or any portion of the taxes required to be withheld by the Corporation or, if permitted by the Committee, desired to be paid by the Participant, in connection with the exercise of a Non-qualified Option or the exercise, vesting, settlement or transfer of any other Award shall be paid or, at the election of the Participant, may be paid by the Corporation withholding Shares otherwise issuable or subject to such Award, or by the Participant delivering previously owned Shares, in each case having a fair market value equal to the amount required or elected to be withheld or paid. Any such elections are subject to such conditions or procedures as may be established by the Committee and may be subject to disapproval by the Committee.

#### **SECTION 15. AMENDMENTS OR TERMINATION**

The Board may amend, alter or discontinue the Plan or any agreement evidencing an Award made under the Plan, but no such amendment shall, without the approval of the shareholders of the Corporation:

- (a) materially increase the number of shares that may be issued under the Plan;
- (b) permit granting of stock options at less than fair market value;
- (c) reduce or adjust downward the exercise price of outstanding options, whether through amendment, cancellation or replacement grants, or any other means;
- (d) impair the rights of any award holder without his or her consent;
- (e) change the class of individuals eligible for the Plan
- (f) extend the term of the Plan; and
- (g) otherwise amend the Plan in any manner if not permitted to do so by law or the National Exchange listing requirements without shareholder approval.

## **SECTION 16. COMPLIANCE WITH OTHER LAWS AND REGULATIONS**

The Plan, the grant and exercise of Awards thereunder, and the obligation of the Corporation to sell, issue or deliver Shares under such Awards, shall be subject to all applicable federal, state and foreign laws, rules and regulations and to such approvals by any governmental or regulatory agency as may be required. The Corporation shall not be required to register in a Participant's name or deliver any Shares prior to the completion of any registration or qualification of such Shares under any federal, state or foreign law or any ruling or regulation of any government body which the Committee shall, in its sole discretion, determine to be necessary or advisable. This Plan is intended to constitute an unfunded arrangement for a select group of management or other key employees.

No Option shall be exercisable unless a registration statement with respect to the Option is effective or the Corporation has determined that such registration is unnecessary. Unless the Awards and Shares covered by this Plan have been registered under the Securities Act of 1933, as amended, or the Corporation has determined that such registration is unnecessary, each person receiving an Award and/or Shares pursuant to any Award may be required by the Corporation to give a representation in writing that such person is acquiring such Shares for his or her own account for investment and not with a view to, or for sale in connection with, the distribution of any part thereof.

## **SECTION 17. OPTION GRANTS BY SUBSIDIARIES**

In the case of a grant of an option to any eligible Employee employed by a subsidiary, such grant may, if the Committee so directs, be implemented by the Corporation issuing any subject shares to the subsidiary, for such lawful consideration as the Committee may determine, upon the condition or understanding that the subsidiary will transfer the shares to the option holder in accordance with the terms of the option specified by the Committee pursuant to the provisions of the Plan. Notwithstanding any other provision hereof, such option may be issued by and in the name of the subsidiary and shall be deemed granted on such date as the Committee shall determine.

## **SECTION 18. NO RIGHT TO EMPLOYMENT**

Nothing in this Plan or as a result of any Award granted pursuant to this Plan shall confer on any individual any right to continue in the employ of the Corporation or interfere in any way with the right of the Corporation to terminate an individual's employment at any time. The Award agreements may contain such provisions as the Committee may approve with reference to the effect of approved leaves of absence.

## **SECTION 19. EFFECTIVENESS AND EXPIRATION OF PLAN**

The Plan was adopted by the Board on March 26, 2009, and will become effective upon approval of the Plan by the Corporation's shareholders (the date of such approval the "Effective Date"). All Awards granted under this Plan are subject to, and may not be exercised before, the approval of the Plan by the affirmative vote of the holders of a majority of the outstanding shares of the Corporation present, or represented by proxy, and entitled to vote, at a meeting of the Corporation's shareholders or by written consent in accordance with the laws of the State of Delaware; provided that if such approval by the shareholders of the Company does not occur within one year of the approval of the Plan by the Board, all Awards previously granted under this Plan shall be void. The Plan shall remain available for the grant of Awards until the third (3rd) anniversary of the date that the Plan is approved by the Corporation's shareholders. Notwithstanding the foregoing, the Plan may be terminated at such earlier time as the Board may determine. Termination of the Plan will not affect the rights and obligations of the Participants and the Corporation arising under Awards theretofore granted and then in effect.

## **SECTION 20. NON-EXCLUSIVITY OF THE PLAN**

Neither the adoption of the Plan by the Board nor the submission of the Plan to the shareholders of the Corporation for approval shall be construed as creating any limitations on the power of the Board or the Committee to adopt such other incentive arrangements as it or they may deem desirable, including without limitation, the granting of restricted stock or stock options otherwise than under the Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

## **SECTION 21. GOVERNING LAW**

This Plan and any agreements hereunder shall be interpreted and construed in accordance with the laws of the State of Delaware and applicable federal law. The Committee may provide that any dispute as to any Award shall be presented and determined in such forum as the Committee may specify, including through binding arbitration. Any reference in this Plan or in the agreement evidencing any Award to a provision of law or to a rule or regulation shall be deemed to include any successor law, rule or regulation of similar effect or applicability.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in this Registration Statement on Form S-8 of our report dated March 2, 2009 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in SLM Corporation's Annual Report on Form 10-K for the year ended December 31, 2008.

/s/ PricewaterhouseCoopers LLP

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McLean, VA  
May 22, 2009