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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 8-K**

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**CURRENT REPORT  
Pursuant to Section 13 or 15(d)  
of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): May 2, 2014 (April 28, 2014)**

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**Navient Corporation**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction  
of incorporation)

**001-36228**  
(Commission  
File Number)

**46-4054283**  
(I.R.S. Employer  
Identification No.)

**300 Continental Drive, Newark, Delaware**  
(Address of principal executive offices)

**19713**  
(Zip Code)

**Registrant's telephone number, including area code: (302) 283-8000**

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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## **ITEM 1.01. ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT.**

On April 30, 2014 (the “Distribution Date”), the previously announced separation of Navient Corporation (“Navient” or the “Company”) from SLM Corporation (“Sallie Mae”) was completed. The separation was effected through the distribution by Sallie Mae of all the shares of common stock of Navient (the “Distribution”) to the holders of shares of Sallie Mae common stock, on a one-to-one basis, as of the close of business on April 22, 2014, the record date for the Distribution. As a result of the Distribution, Navient is an independent, publicly traded company that operates the education loan management, servicing and asset recovery business owned by Sallie Mae immediately prior to the Distribution.

To implement the separation and Distribution of Navient, an internal corporate reorganization of Sallie Mae was effected, pursuant to which, on April 29, 2014, New BLC Corporation (“SLM BankCo”) replaced SLM Corporation (“Existing SLM”) as the parent holding company pursuant to a holding company merger (the “Merger”). In accordance with Section 251(g) of the Delaware General Corporation Law, by action of the Existing SLM board of directors and without a shareholder vote, Existing SLM was merged into Navient, LLC, a wholly owned subsidiary of Sallie Mae, with Navient, LLC surviving (“Existing SLM SurvivorCo”). Immediately following the effective time of the Merger, SLM BankCo changed its name to “SLM Corporation.”

### ***Separation and Distribution Agreement***

On April 28, 2014, Navient entered into a Separation and Distribution Agreement with Existing SLM and Sallie Mae. The following description of the Separation and Distribution Agreement is qualified in its entirety by reference to the full text of that Agreement, which is attached hereto as Exhibit 2.2 and incorporated by reference herein.

The Separation and Distribution Agreement provides for the internal corporate reorganization by which the assets and liabilities related to (i) the consumer banking business, including Sallie Mae Bank, the student education loans it holds, a new private education loan servicing company and the Upromise Rewards business, were distributed to and retained by Sallie Mae and (ii) the loan management, servicing and asset recovery businesses were contributed to Navient. Following the internal corporate reorganization, and pursuant to the Separation and Distribution Agreement, Sallie Mae effected the Distribution, pursuant to which all of the issued and outstanding shares of common stock of Navient were distributed as of 4:00 p.m., Eastern Time, on the Distribution Date, on a one-to-one basis, to the holders of shares of Sallie Mae’s common stock as of the close of business on April 22, 2014, the record date for the Distribution. The Separation and Distribution Agreement also provides for, among other things:

- the settlement of accounts between Navient and Sallie Mae;
- the obligation of each party to indemnify the other against liabilities retained or assumed by that party pursuant to the Separation and the Distribution Agreement and in connection with claims of third parties;
- the allocation among the parties of rights and obligations under insurance policies;
- the agreement of Navient and Sallie Mae (i) not to engage in certain competitive business activities for a period of five years, (ii) as to the effect of the non-competition provisions on post-Distribution M&A activities of the parties and (iii) regarding “first look” opportunities;
- the creation of a governance structure, including a separation oversight committee, by which matters related to the separation and other transactions contemplated by the Separation and Distribution Agreement will be monitored and managed; and
- confidentiality obligations of the parties.

The Separation and Distribution Agreement further provides for the conditions to the Distribution (the “Conditions”), including (1) the receipt of a private letter ruling from the Internal Revenue Service (the “IRS”) to the effect that Merger and the Distribution will generally not result in the recognition of any gain or loss under the Internal Revenue Code, as amended (the “Code”) to Navient, Sallie Mae or their stockholders (the “PLR Condition”) (described in more detail below), (2) receipt of a tax opinion from Baker Botts L.L.P., tax counsel to

Navient and Sallie Mae, regarding the satisfaction of certain requirements for tax-free treatment under Section 355 of the Code (on which the IRS will not rule)(the "Section 355 Opinion"), (3) receipt of an insolvency opinion from an independent appraisal firm, (4) the SEC having declared Sallie Mae's Form 10 registration statement relating to the Distribution effective under the Securities Exchange Act of 1934, as amended, and (5) the acceptance of the Navient common stock for listing on the NASDAQ Global Select Market, subject to official notice of distribution. Under the Separation and Distribution Agreement, any of the Conditions could be waived by Sallie Mae.

All of the Conditions were satisfied prior to the Distribution, except for the PLR Condition. The PLR Condition contemplated that Sallie Mae would receive a private letter ruling from the IRS to the effect that, among other things, (i) the Merger would qualify as a "reorganization" within the meaning of Section 368(a)(1)(F) of the Internal Revenue Code and would not be integrated with the rest of the separation and distribution of Navient and (ii) the separation and distribution would qualify as a reorganization for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code and would generally not result in the recognition of any gain or loss to Sallie Mae, Navient or their stockholders. Sallie Mae has publicly disclosed that it anticipates eventual receipt of the private letter ruling contemplated by the PLR Condition. However, due to unforeseen delays in the review process the PLR Condition was not satisfied on the Distribution Date. Sallie Mae waived the PLR Condition and completed the Distribution on April 30, 2014.

In lieu of the private letter ruling, Sallie Mae completed the Distribution based upon a tax opinion of Baker Botts L.L.P., which acted as tax advisor to Sallie Mae and Navient in connection with the separation and Distribution of Navient. The tax opinion covers the matters described above for which the private letter ruling is being sought as well as the matters contemplated by the Section 355 Opinion.

The foregoing description of the tax opinion of Baker Botts L.L.P. is qualified in its entirety by reference to the full text of their opinion, including the qualifications and disclaimers set forth therein, which is attached hereto as Exhibit 8.1 and incorporated by reference herein.

### ***Ancillary Agreements***

Navient and Sallie Mae have entered into several agreements ancillary to the Separation and Distribution Agreement, including the following agreements:

- Transition Services Agreement, dated April 28, 2014, between Navient and Sallie Mae;
- Tax Sharing Agreement, dated April 28, 2014, between Navient and Sallie Mae; and
- Employees Matters Agreement, dated April 28, 2014, among Navient, Sallie Mae and Existing SLM.

Set forth below is a summary of each of these agreements. Each summary is qualified in its entirety by reference to the full text of the agreement being summarized, which is attached hereto as an Exhibits 10.1, 10.2 and 10.3, respectively, and incorporated by reference herein.

### ***Transition Services Agreement***

The Transition Services Agreement provides for the provision of various services, on an interim transitional basis, by Navient and Sallie Mae and to each other. The transitional services include access to certain information technology development, hosting and related support services, provision of certain short-term loan servicing functions, customer communications services, access to shared facilities, support services related to third-party transition service obligations and certain student loan trust and other administrative support services. In general, the agreed-upon charges for such services are generally intended to allow the servicing party to recover all out-of-pocket costs and a predetermined profit based on a mark-up of such costs.

Under the agreement, the separation oversight committee will be responsible for monitoring and managing all matters related to the transition and the provision of services by either party to the other. The Transition Services Agreement will terminate on the expiration of the term of the last service provided under it, and in any event by no later than 24 months after the Distribution Date.

### ***Tax Sharing Agreement***

The Tax Sharing Agreement governs the respective rights, responsibilities and obligations of Navient and Sallie Mae after the Distribution relating to taxes, including with respect to the payment of taxes, the preparation and filing of tax returns and the conduct of tax contests. Under the Tax Sharing Agreement, each party is generally liable for taxes attributable to its business. The Tax Sharing Agreement also addresses the allocation of tax liabilities that are incurred as a result of the Merger, separation and distribution. In addition, the Tax Sharing Agreement restricts the parties from taking certain actions that could prevent the Merger, separation and distribution from qualifying for the tax treatment described in the tax opinion of Baker Botts L.L.P.

### ***Employee Matters Agreement***

The Employee Matters Agreement governs compensation and employee benefit obligations of Navient and Sallie Mae with respect to the current and former employees of each company, and generally allocates liabilities and responsibilities relating to employee compensation and benefit plans and programs. The Employee Matters Agreement provides for the treatment of outstanding Existing SLM equity awards as a result of the Distribution. As a general rule, Existing SLM equity awards will be handled as follows: (i) awards granted prior to February 4, 2012 will be divided into both Sallie Mae and Navient equity awards; and (ii) award granted on or after February 4, 2012 will become solely equity awards of the holder's post-distribution employer. The exercise price of awards will be set so as to maintain the intrinsic value of the original Existing SLM immediately prior to the Distribution. Navient and Sallie Mae awards will be subject substantially the same terms, vesting conditions and other restrictions that applied to the original Existing SLM award they replace.

The employee matters agreement also sets forth general principles relating to various employee matters, including with respect to the transfer of employees between Navient and Sallie Mae, the assumption and retention of liabilities and related assets, expense reimbursements, workers' compensation, leaves of absence and other matters with respect to such employees, the provision of comparable benefits and employee service credits, the sharing of employee information and the duplication or acceleration of benefits to certain employees.

Navient also entered into a joint marketing agreement, a key systems agreement, a data sharing agreement and a sublease agreement with Sallie Mae and a loan servicing and administration agreement with Sallie Mae Bank, none of which is material to Navient. For a description of these agreements, see the section captioned "Certain Relationships and Related Party Transactions" in the information statement filed as Exhibit 99.1 to Navient's Registration Statement on Form 10 (File No. 001-36228).

### **ITEM 5.02 DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS.**

In connection with the distribution of Navient by Sallie Mae, on May 1, 2014, Navient issued the following promotion related equity awards to certain of its named executive officers in recognition of their promotions and increased duties as Navient commences operations as an independent public company:

- Somsak Chivavibul, Chief Financial Officer – restricted stock units (\$200,000 grant date value); stock options (\$100,000 grant date value);
- John Kane, Chief Operating Officer – restricted stock units (\$300,000 grant date value); stock options (\$150,000 grant date value); and
- Tim Hynes, Chief Risk Officer – restricted stock units (\$100,000 grant date value); stock options (\$58,333 grant date value).

The restricted stock unit and option grants will each vest in one-third increments on the first three anniversary of the award grant date, subject to certain early vesting provisions set forth in the terms of each award agreement. The stock option awards have a exercise price equal to the closing price of Navient's common stock on the award grant date.

Additionally, on May 1, 2014, Navient issued the remaining portion of its 2014 long-term incentive awards for its senior executives, including its named executive officers. As previously announced in Sallie Mae's Current Report on Form 8-K filed with SEC on February 19, 2014, Sallie Mae previously issued two-thirds of their 2014 long-term incentive award in the form of restricted stock units of Sallie Mae common stock, which were replaced entirely with restricted stock units of Navient in connection with the distribution. The remaining one-third of the 2014 long-term incentive award was issued in the form of Navient restricted stock units with substantially similar terms as the February 2014 restricted stock unit grant.

**ITEM 8.01      OTHER EVENTS.**

On April 30, 2014, Navient issued a press release announcing the completion of its Distribution from Sallie Mae. A copy of the press release is attached hereto as Exhibit 99.1 and incorporated by reference herein.

**ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS.**

(d) Exhibits

<u>Exhibit Number</u>	<u>Description</u>
2.1*	Form of Separation and Distribution Agreement by and among SLM Corporation, New BLC Corporation and Navient Corporation, dated as of April 28, 2014
8.1*	Opinion of Baker Botts L.L.P. as to certain tax matters
10.1*	Transition Services Agreement by and between New Corporation and SLM Corporation, dated as of dated as of April 28, 2014
10.2*	Employee Matters Agreement between SLM Corporation, New BLC Corporation and New Corporation, dated as of April 28, 2014
10.3*	Tax Sharing Agreement between Navient Corporation and New BLC Corporation, dated as dated as of April 28, 2014
99.1*	Press Release of Navient Corporation, dated as of April 30, 2014

\* Filed herewith.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**NAVIENT CORPORATION**

Date: May 2, 2014

By: /s/ John F. Remondi  
John F. Remondi  
Chief Executive Officer

**EXHIBIT INDEX**

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99.1*	Press Release of Navient Corporation, dated as of April 30, 2014

\* Filed herewith.



SEPARATION AND DISTRIBUTION AGREEMENT

by and among

SLM CORPORATION  
(Existing SLM),

NEW BLC CORPORATION  
(SLM BankCo)

and

NAVIENT CORPORATION  
(Navient)

Dated as of April 28, 2014

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## EXHIBITS

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## SEPARATION AND DISTRIBUTION AGREEMENT

This SEPARATION AND DISTRIBUTION AGREEMENT, dated as of April 28, 2014 (this "Agreement"), is by and among SLM Corporation, a Delaware corporation ("Existing SLM"), New BLC Corporation, a Delaware corporation ("SLM BankCo"), and Navient Corporation, a Delaware corporation ("Navient"). Capitalized terms used herein and not otherwise defined shall have the respective meanings assigned to them in Article I.

### R E C I T A L S

WHEREAS, the Existing SLM Board has determined that it is in the best interests of Existing SLM and its stockholders to separate into two separate publicly-traded companies;

WHEREAS, in furtherance of the foregoing, the Existing SLM Board has determined that it is appropriate and desirable for Existing SLM to undergo an internal corporate reorganization as a first step in the separation of its education loan management business from its consumer banking business (the "Separation"), and to thereafter make a distribution, on a *pro rata* basis, to holders of shares of Existing SLM Common Stock on the Record Date of all the outstanding shares of Navient Common Stock owned by SLM BankCo (the "Distribution");

WHEREAS, for U.S. federal income tax purposes, the Separation and the Distribution, taken together, are intended to qualify as a transaction that is tax-free under Sections 355 and 368(a)(1)(D) of the Code;

WHEREAS, it is appropriate and desirable to set forth the principal corporate transactions to be undertaken to effect the Separation and the Distribution and certain other agreements that will govern various matters relating to the Separation and the Distribution and the relationship of SLM BankCo, Navient and their respective Subsidiaries following the Separation and the Distribution; and

WHEREAS, prior to the date hereof certain assets, functions and employees have been consolidated within Sallie Mae Bank pursuant to a pre-existing transition plan, and it is the intention of the Parties that such assets, functions and employees remain within Sallie Mae Bank following the Separation and the Distribution.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained in this Agreement, the Parties, intending to be legally bound, hereby agree as follows:

### ARTICLE I DEFINITIONS

For the purpose of this Agreement, the following terms shall have the following meanings:

"AAA" shall have the meaning set forth in Section 7.3(c)(ii).

“Acquired Excluded Business” shall have the meaning set forth in Section 5.4(g)(i)(B).

“Action” shall mean any dispute, suit, countersuit, mediation, arbitration or investigation (whether criminal, civil or administrative) by or before any federal, state, local, foreign or international Governmental Authority having authority over a Party or any member of its Group or any mediation or arbitration tribunal.

“Affiliate” shall mean, when used with respect to a specified Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified Person. For the purpose of this definition, “control” (including with correlative meanings, “controlled by” and “under common control with”), when used with respect to any specified Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment, undertaking or otherwise. It is expressly agreed that, from and after the Effective Time, for purposes of this Agreement and the Ancillary Agreements, (a) no member of the Navient Group shall be deemed an Affiliate of any member of the SLM BankCo Group and (b) no member of the SLM BankCo Group shall be deemed an Affiliate of any member of the Navient Group, except that the foregoing shall not affect the treatment of SLM BankCo and SMI as “affiliates” for purposes of federal customer data privacy laws, including the Gramm-Leach-Bliley Act, during the Preferred Stock Period.

“Agent” shall mean Computershare Trust Company, N.A., or such other trust company or bank duly appointed by Existing SLM to act as distribution agent, transfer agent and registrar for the shares of Navient Common Stock in connection with the Distribution.

“Agreement” shall have the meaning set forth in the Preamble.

“Ancillary Agreements” shall mean the Transition Services Agreement, the Tax Sharing Agreement, the Employee Matters Agreement, the Loan Servicing Agreement, the Joint Marketing Agreement, the Key Systems Agreement, the Data Sharing Agreement, the Sublease Agreement, any contract, letter or instrument that expressly identifies itself as an “Ancillary Agreement” within the meaning hereof and the Transfer Documents.

“Applicable Deadline” shall have the meaning set forth in Section 7.3(c)(i).

“Applicable Non-Compete Period” shall have the meaning set forth in Section 5.4(f).

“Approvals or Notifications” shall mean any consents, waivers, approvals, permits or authorizations to be obtained from, notices, registrations or reports to be submitted to, or other filings to be made with, any third Person, including any Governmental Authority.

“Arbitrable Dispute” shall have the meaning set forth in Section 7.3(c).

“Arbitration Act” means the United States Arbitration Act, 9 U.S.C. §§ 1 et seq.

“Arbitration Demand Notice” shall have the meaning set forth in Section 7.3(c).

“Assets” shall mean, with respect to any Person, the assets, properties, claims and rights (including goodwill) of such Person, wherever located (including in the possession of vendors or other third Persons or elsewhere), of every kind, character and description, whether real, personal or mixed, tangible, intangible or contingent, in each case whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of such Person, including rights and benefits pursuant to any contract, license, permit, indenture, note, bond, mortgage, agreement, concession, franchise, instrument, undertaking, commitment, understanding or other arrangement.

“ATLAS Development Projects” shall have the meaning set forth in Section 5.9(b).

“ATLAS Software” shall mean the Software, Technology and related Intellectual Property that comprises the ATLAS System, excluding any Third Party Software.

“ATLAS System” shall mean the private credit originations engine that supports the primary business functions to (i) enable loan origination and (ii) conduct the core integration of all components necessary to complete loan originations, including all equipment, Software, and associated attachments, features, accessories, peripherals and cabling, and all additions, modifications, substitutions, upgrades or enhancements to such system as of the Effective Time.

“Auction Rate Securities and Reset Rate Notes” shall mean all outstanding notes of each series listed on Schedule 1.1(a).

“Cash Contribution” shall have the meaning set forth in Section 2.2(b)(iv).

“Certificate of Merger” shall mean the Certificate of Merger to be filed pursuant to Section 251(g) of the DGCL in furtherance of the Merger, substantially in the form of Exhibit A to the Plan of Merger.

“Change in Law or Interpretation” shall have the meaning set forth in Section 2.3(a)(i)(A).

“Change of Control” shall mean, with respect to Navient or SLM BankCo, as applicable, the occurrence after the Effective Time of any of the following: (a) the sale, conveyance, transfer or other disposition (however accomplished), in one or a series of related transactions, of all or substantially all of the assets of such party or such party’s Group to a third Person that is not an Affiliate of such party prior to such transaction or the first of such related transactions; (b) the consolidation, merger or other business combination of a party with or into



any other entity, immediately following which the then-current stockholders of the party, as such, fail to own in the aggregate at least a majority of the voting power in the election of directors of all the outstanding voting securities of the surviving party in such consolidation, merger or business combination or of its ultimate publicly-traded parent entity; (c) a transaction or series of transactions in which any Person or "group" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) acquires at least a majority of the voting power in the election of directors of all the outstanding voting securities of such party (other than (i) a reincorporation, holding company merger or similar corporate transaction in which each of such party's stockholders owns, immediately thereafter, interests in the new parent company in substantially the same percentage as such stockholder owned in such party immediately prior to such transaction, or (ii) in connection with a transaction described in clause (b), which shall be governed by such clause (b)); or (d) a majority of the board of directors of such party ceasing to consist of individuals who have become directors as a result of being nominated or elected by a majority of such party's directors.

"Citibank Loan Agreement" shall mean that certain Term Loan Agreement dated as of September 17, 2010 by and among Bull Run 1 LLC, as Borrower, SLM, as Guarantor, Citibank, N.A., as the Administrative Agent, the Syndicate Agent, the Collateral Agent, and a Lender, and additional lenders that may become a party thereto.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"College Planning Tools" means the Software, Technology and related Intellectual Property owned by SLM BankCo and the other members of the SLM BankCo Group as of the Effective Time that comprises the following IT systems: (i) College Planning Calculator (f/k/a Education Investment Planner); (ii) the content hosted on the College Ahead (f/k/a College Answer) website; and (iii) the content hosted on 529.com website. For the avoidance of doubt, "College Planning Tools" shall not include the uniform resource locators (URLs) associated with (ii) and (iii).

"Contribution" shall have the meaning set forth in Section 2.1(k).

"Covered Personnel" shall have the set forth in Section 5.5.

"Data Sharing Agreement" shall mean the Data Sharing Agreement to be entered into by and between SLM BankCo and Navient or their respective Subsidiaries in connection with the Separation, the Distribution and the other transactions contemplated by this Agreement.

"Deficient Loans" shall have the meaning set forth in Section 4.2(f).

"Delayed Navient Asset" shall have the meaning set forth in Section 2.6(c).

"Delayed Navient Liability" shall have the meaning set forth in Section 2.6(c).

“Delayed SLM BankCo Asset” shall have the meaning set forth in Section 2.6(h).

“Delayed SLM BankCo Liability” shall have the meaning set forth in Section 2.6(h).

“DGCL” shall mean the General Corporation Law of the State of Delaware.

“Disclosure Document” shall mean (i) any registration statement (including the Form 10 and any Form S-8, Form S-1 or Form S-3) filed with the SEC by or on behalf of any Party or any of its controlled Affiliates, and also includes any information statement (including the Information Statement), prospectus, offering memorandum, offering circular, periodic report or similar disclosure document, whether or not filed with the SEC or any other Governmental Authority, which in each case is filed or provided primarily to describe the Separation, the Distribution or the Navient Group or primarily relates to transactions contemplated under this Agreement or any Ancillary Agreement, (ii) any registration statement, periodic report or other disclosure document filed with the SEC or any other Governmental Authority by any Party prior to the Effective Time and (iii) any documents incorporated by reference in the filings described in clauses (i) and (ii) above.

“Dispute” shall have the meaning set forth in Section 7.2(a)(i).

“Dispute Notice” shall have the meaning set forth in Section 7.2(a)(i).

“Distribution” shall have the meaning set forth in the Recitals.

“Distribution Date” shall mean April 30, 2014.

“DLLCA” shall mean the Delaware Limited Liability Company Act.

“D&O Tail Policy” shall mean the six year directors’ and officers’ liability insurance policy purchased by Existing SLM with respect to liabilities arising prior to the Effective Time.

“DSLPL Loans” shall mean educational loans provided by the William D. Ford Federal Direct Loan Program to students and parent borrowers directly through the U.S. Department of Education rather than through a bank or other lender.

“Effective Time” shall mean 4:00 p.m., Eastern Standard Time, on the Distribution Date.

“Effective Time Sallie Mae” shall mean SLM BankCo and its Subsidiaries (including Navient and Existing SLM Holdco), as constituted immediately prior to the Effective Time.

“Eligible Offering” shall have the meaning set forth in Section 5.6(b).

“Employee Matters Agreement” shall mean the Employee Matters Agreement to be entered into by and between SLM BankCo and Navient or their respective Subsidiaries in connection with the Separation, the Distribution and the other transactions contemplated by this Agreement.

“Equity Distribution” shall have the meaning set forth in Section 2.1(m).

“Equity Interests” of any Person shall mean any membership interests, capital stock or other equity interest or any securities convertible into or exchangeable for equity interests, or any other rights, warrants or options (whether or not currently exercisable) to acquire any of the foregoing securities.

“Exchange Act” shall mean the U.S. Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

“Excluded SMI Projects” has the meaning set forth in the Transition Services Agreement.

“Excluded Systems” shall mean the Effective Time Sallie Mae IT systems listed on Schedule 1.8(b).

“Existing SLM” shall have the meaning set forth in the Preamble; *provided*, that all references to Existing SLM in this Agreement shall be to Existing SLM as it exists prior to the Merger Effective Time.

“Existing SLM Common Stock” shall mean the common stock, par value \$0.20 per share, of Existing SLM.

“Existing SLM Board” shall mean the Board of Directors of Existing SLM and any authorized committee thereof, as constituted prior to the Merger Effective Time.

“Existing SLM Holdco” shall mean the limited liability company that is the surviving Person in the Merger.

“Existing SLM Holdco Operating Agreement” shall mean the limited liability company agreement of Existing SLM Holdco, substantially in the form of Exhibit B.

“Existing SLM Lawyers” shall have the meaning set forth in Section 6.7(a).

“Existing SLM Series A Preferred Stock” shall mean the 6.97% Cumulative Redeemable Preferred Stock, Series A, par value \$0.20 per share, of Existing SLM.

“Existing SLM Series B Preferred Stock” shall mean the Floating Rate Non-Cumulative Preferred Stock, Series B, par value \$0.20 per share, of Existing SLM.

“Extended Servicing Cut-off Date” shall mean the third anniversary of the Operational Servicing Date.

“FFELP Loans” shall mean education loans to students and parents of students that are guaranteed or reinsured in accordance with the Federal Family Education Loan Program, initiated by Title IV of the Higher Education Act of 1965 and terminated (as to new loans) under the Health Care and Education Reconciliation Act of 2010.

“FHLB-DM Facility” shall mean (a) the Advances, Pledge and Security Agreement between HICA Education Loan Corporation and the Federal Home Loan Bank of Des Moines, dated January 15, 2010, and (b) the Affiliate Collateral Pledge and Security Agreement between SLM Education Credit Finance Corporation, HICA Education Loan Corporation and the Federal Home Loan Bank of Des Moines, dated January 15, 2010.

“First Look Period” shall have the meaning set forth in Section 5.6(b).

“Force Majeure” shall mean a force not reasonably within the control of the party (including acts of God, acts of war, riots, insurrections, illegality of performance, strikes or other industrial disturbances, breakage or accident to machinery or equipment, fires, earthquakes, hurricanes, floods and other disasters). For the avoidance of doubt, the following events shall not constitute Force Majeure events: (a) acts or omissions of subcontractors; and (b) delays or failures to the extent they could have been avoided or their impact mitigated through the use of commercially reasonable business continuity measures.

“Form 10” shall mean the Registration Statement on Form 10 filed by Navient with the SEC to effect the registration of shares of Navient Common Stock pursuant to the Exchange Act in connection with the Distribution, as such Registration Statement may be amended (including by post-effective amendment) or supplemented from time to time prior to the Distribution Date.

“Governmental Approvals” shall mean any notices, reports or other filings to be made, or any consents, registrations, approvals, permits or authorizations to be obtained from, any Governmental Authority.

“Governmental Authority” shall mean any nation or government, any state, municipality or other political subdivision thereof, and any entity, body, agency, commission, department, board, bureau, court, tribunal or other instrumentality, whether federal, state, county, local, domestic, foreign or multinational, exercising executive, legislative, judicial, regulatory, administrative or other similar functions of, or pertaining to, government and any executive official thereof.

“Government Education Loan” shall mean a loan issued expressly for post-secondary educational expenses to a borrower that is made, insured, guaranteed or subsidized by a Governmental Authority, other than a FFELP Loan or a DSLP Loan.

“Group” shall mean either the Navient Group and/or the SLM BankCo Group, as the context requires.

“Historical P/C Policies” means any historical occurrence-based property and casualty policies of insurance held by Effective Time Sallie Mae or its predecessors at any time prior to the Effective Time.

“Indemnifying Party” shall have the meaning set forth in Section 4.4(a).

“Indemnitee” shall have the meaning set forth in Section 4.4(a).

“Indemnity Payment” shall have the meaning set forth in Section 4.4(a).

“Indentures” shall mean (i) that certain Indenture, dated as of October 1, 2000, between Existing SLM (formerly USA Education, Inc.) and The Bank of New York Mellon, as successor to J.P. Morgan Chase Bank, National Association, formerly Chase Manhattan Bank, as amended or supplemented from time to time, and (ii) that certain Indenture, dated as of April 25, 2006, between Existing SLM and Deutsche Trustee Company Limited, as amended or supplemented from time to time.

“Information” shall mean information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, communications by or to attorneys (including attorney-client privileged communications), memos and other materials prepared by attorneys or under their direction (including attorney work product), hard copy audit, external audit and internal control records and other technical, financial, employee or business information or data.

“Information Statement” shall mean the information statement forming part of the Form 10, which is to be delivered to Record Holders in connection with the Distribution, as such information statement may be amended or supplemented from time to time prior to the Distribution Date.

“Initial Cash Contribution” shall mean \$425 million.

“Insurance Proceeds” shall mean those monies (a) received by an insured from an insurance carrier; or (b) paid by an insurance carrier on behalf of the insured.

“Intellectual Property” shall mean all of the following, whether arising under the Laws of the United States or of any foreign or multinational jurisdiction: (a) patents, patent applications (including patents issued thereon) and statutory invention registrations, including

reissues, divisions, continuations, continuations in part, substitutions, renewals, extensions and reexaminations of any of the foregoing, and all rights in any of the foregoing provided by international treaties or conventions, (b) trademarks, service marks, trade names, service names, trade dress, logos and other source or business identifiers, including all goodwill associated with any of the foregoing, and any and all common law rights in and to any of the foregoing, registrations and applications for registration of any of the foregoing, all rights in and to any of the foregoing provided by international treaties or conventions, and all reissues, extensions and renewals of any of the foregoing, (c) Internet domain names, (d) copyrightable works, copyrights, moral rights, mask work rights, database rights and design rights, in each case, other than Software, whether or not registered, and all registrations and applications for registration of any of the foregoing, and all rights in and to any of the foregoing provided by international treaties or conventions, (e) confidential and proprietary information, including trade secrets, invention disclosures, processes and know-how, in each case, other than Software, and (f) intellectual property rights arising from or in respect of any Technology.

“IRS” shall mean the United States Internal Revenue Service.

“IRS Ruling” shall have the meaning set forth in Section 3.3(a)(iii).

“IT Transition” shall have the meaning set forth in Section 5.8.

“IT Transition Milestones” shall have the meaning set forth in the Transition Services Agreement.

“Joint E&O Policy” shall mean the errors and omissions liability insurance policy jointly purchased by SLM BankCo and Navient.

“Joint F.I. Bond Policy” shall mean the Financial Institutions Bond policy jointly purchased by SLM BankCo and Navient.

“Joint Legal Materials” shall have the meaning set forth in Section 6.7(d).

“Joint Marketing Agreement” shall mean the Joint Marketing Agreement to be entered into by and between SLM BankCo and Navient or their respective Subsidiaries in connection with the Separation, the Distribution and the other transactions contemplated by this Agreement.

“Joint Materials” shall have the meaning set forth in Section 5.9(b).

“Key Systems Agreement” shall mean the Key Systems Agreement to be entered into by and between SLM BankCo and Navient or their respective Subsidiaries in connection with the Separation, the Distribution and the other transactions contemplated by this Agreement.

“Large New Government Education Loan” shall mean a Government Education Loan created pursuant to a Law adopted or enacted after the Effective Time and as to which

originations are reasonably expected to equal or exceed \$50 billion per annum. For the avoidance of doubt, “Large New Government Education Loan” does not include a loan that consolidates or refinances an education loan.

“Law” shall mean any national, supranational, federal, state, provincial, local or similar law (including common law), statute, code, order, ordinance, rule, regulation, treaty (including any income tax treaty), license, permit, authorization, approval, consent, decree, injunction, binding judicial or administrative interpretation or other requirement, in each case, enacted, promulgated, issued or entered by a Governmental Authority.

“Legacy Indebtedness” shall mean (a) all unsecured notes issued by Existing SLM pursuant to the Indentures, (b) all Auction Rate Securities and Reset Rate Notes, (c) all advances under the FHLB-DM Facility, (d) any indebtedness for borrowed money under the Citibank Loan Agreement and (e) any other indebtedness of SLM Holdco or any of its Subsidiaries as of the Effective Time.

“Legacy Swaps” shall mean all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, interest rate swaps or options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing entered into by Existing SLM and in effect as of or before the Effective Time, including any of the foregoing entered into in connection with or by reference to any Legacy Indebtedness or Securitization Trust Notes.

“Legal Materials” shall have the meaning set forth in Section 6.7(d).

“Liabilities” shall mean all debts, guarantees, assurances, commitments, liabilities, responsibilities, losses, remediation, deficiencies, damages, fines, penalties, settlements, sanctions, costs, expenses, interest and obligations of any nature or kind, whether absolute or contingent, matured or unmatured, accrued or not accrued, asserted or unasserted, liquidated or unliquidated, foreseen or unforeseen, known or unknown, reserved or unreserved, or determined or determinable, including those arising under any Law, claim (including any Third Party Claim), demand, action, or order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority or arbitration tribunal, and those arising under any contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment or undertaking or any fines, damages or equitable relief that is imposed, in each case, including all costs and expenses relating thereto.

“linked” shall have the meaning set forth in Section 2.11(a).

“Loan Servicing Agreement” shall mean the Amended and Restated Loan Servicing and Administration Agreement to be entered into by and between SLM BankCo and Navient or their respective Subsidiaries in connection with the Separation, the Distribution and the other transactions contemplated by this Agreement.

“Losses” shall mean actual realized losses, costs, damages, amounts paid in settlement or restitution, fines, civil money and other penalties and expenses (including reasonable legal and accounting fees and reasonable expenses and costs of investigation and litigation), whether or not involving a Third Party Claim.

“M&A Out Date” shall have the meaning set forth in Section 5.4(g).

“Mediation Request” shall have the meaning set forth in Section 7.3(b).

“Merger” shall have the meaning set forth in Section 2.1(i).

“MergerSub” shall mean Navient, LLC, a Delaware limited liability company.

“Merger Effective Time” shall mean the date and time when the Merger shall become effective in accordance with the DGCL and the DLLCA.

“NASDAQ” shall mean the NASDAQ Global Select Market.

“Navient” shall have the meaning set forth in the Preamble.

“Navient Accounts” shall have the meaning set forth in Section 2.11(a).

“Navient Assets” shall have the meaning set forth in Section 2.2(a).

“Navient Balance Sheet” shall mean the unaudited pro forma consolidated balance sheet of Navient, including the notes thereto, as of December 31, 2013, as set forth under the caption “Unaudited Pro Forma Condensed Consolidated Financial Statements” in the Information Statement.

“Navient Board” shall mean the Board of Directors of Navient and any authorized committee thereof.

“Navient Business” shall mean all businesses, operations and activities conducted at any time from and after the Effective Time by the Navient Group.

“Navient Bylaws” shall mean the Amended and Restated Bylaws of Navient, substantially in the form of Exhibit C.

“Navient Certificate of Incorporation” shall mean the Amended and Restated Certificate of Incorporation of Navient, substantially in the form of Exhibit D.

“Navient Common Stock” shall mean the common stock, par value \$0.01 per share, of Navient authorized by the Navient Certificate of Incorporation.



“Navient Contracts” shall mean any contracts and agreements, other than SLM BankCo Contracts, to which Effective Time Sallie Mae is a party or by which Effective Time Sallie Mae’s Assets are bound at or prior to the Effective Time, whether or not in writing, including the following:

(a) any customer, marketing, co-marketing, supply or vendor contracts or agreements entered into prior to the Effective Time that relates to the Pre-Separation Education Loan Management Business;

(b) (i) any indenture, servicing agreement or administration agreement or other transaction documents entered into by the Securitization Trusts, (ii) any trust agreements governing the Securitization Trusts, (iii) the Excess Distribution Certificates issued by the Securitization Trusts and (iv) any underwriting agreement, pricing agreement, purchase agreement (and the master securitization terms thereto), sale agreement or interim trust agreement entered into by any member of the Navient Group or the SLM BankCo Group in respect of the Securitization Trusts, but shall exclude purchase agreements and the like entered into by any member of the SLM BankCo Group;

(c) each FFELP Loan and each Private Education Loan that is not owned by Sallie Mae Bank;

(d) subject to Section 2.14, any license agreement related exclusively to the Pre-Separation Education Loan Management Business;

(e) any guarantee, indemnity, representation, warranty or other Liability of Effective Time Sallie Mae in respect of any other Navient Contract, any Navient Liability or the Pre-Separation Education Loan Management Business;

(f) any employment, change of control, retention, consulting, indemnification, termination, severance or other similar agreement with any employee, independent contractor or consultant of the Navient Group that is in effect as of the Effective Time;

(g) any interest rate, currency, commodity or other swap, collar, cap or other hedging or similar agreements or arrangements related exclusively to the Pre-Separation Education Loan Management Business or entered into by or on behalf of any member (including any division or business unit) of the Navient Group;

(h) the Indentures and the Legacy Indebtedness;

(i) the Legacy Swaps; and

(j) any other documents or agreements not entered into, retained by or expressly assumed by a member of the SLM BankCo Group pursuant to this Agreement or any Ancillary Agreement.

“Navient Counsel” shall have the meaning set forth in Section 6.7(a).

“Navient Entities” shall have the meaning set forth in Section 2.2(a)(ii).

“Navient Excluded Persons” shall mean such Persons (and their respective successors) as may be agreed by Navient and SLM BankCo in writing for purposes of Section 5.4(b)(iii), Section 5.4(b)(iv) and Section 5.4(g)(i).

“Navient Group” shall mean Navient, each Subsidiary of Navient and each Affiliate of Navient, as constituted as of and after the Effective Time.

“Navient Indemnitees” shall have the meaning set forth in Section 4.3.

“Navient Intellectual Property” shall mean (a) the Navient Names, Navient Marks and Navient Patents, (b) all Other IP that is not used or held for use exclusively in the Pre-Separation Consumer Banking Business, (c) the Intellectual Property that is an integral part of the Excluded Systems, (d) SMI’s undivided joint ownership interest in the ATLAS Software and (e) the SMI Licensed IP.

“Navient Liabilities” shall have the meaning set forth in Section 2.3(a).

“Navient Licensed Systems” means the Software, Technology and related Intellectual Property owned by Navient as of the Effective Time that comprises the IT systems identified on Schedule 1.9(b).

“Navient Names and Navient Marks” shall mean the names, marks, trade dress, logos, monograms, domain names and other source or business identifiers of any word or element owned, held or licensed by Effective Time Sallie Mae, including those listed on Schedule 1.5(a) (in block letters or otherwise), either alone or in combination with other words or elements, and all names, marks, trade dress, logos, monograms, domain names and other source or business identifiers confusingly similar to or embodying any of the foregoing either alone or in combination with other words or elements, together with the goodwill associated with any of the foregoing, in each case other than names, marks, trade dress, logos, monograms, domain names and other source or business identifiers that are SLM BankCo Names and SLM BankCo Marks.

“Navient Licensed Materials” shall have the meaning set forth in Section 2.14(a).

“Navient Patents” means the United States patents identified on Schedule 1.5(a), including all provisionals, divisions, reexaminations, continuations and continuations-in-part, and all reissues and extensions thereof.

“Navient Program Manager” shall have the meaning set forth in Section 7.1(a)(i).

“Navient Restricted Business” shall have the meaning set forth in Section 5.4(b).

“Navient Software” shall mean all Software, other than the SLM BankCo Software, owned or licensed by Effective Time Sallie Mae, including the Software that is an integral part of the Excluded Systems; provided, that Navient Software expressly excludes ATLAS Software and the Software that comprises the SLM BankCo Licensed Systems.

“Navient Technology” shall mean all Technology, other than the SLM BankCo Technology, owned or licensed by Effective Time Sallie Mae, including the Technology that is an integral part of the Excluded Systems; provided, that Navient Technology expressly excludes the Technology that is an integral part of each of the ATLAS Software and the SLM BankCo Licensed Systems.

“Navient Transfer Documents” shall have the meaning set forth in Section 2.4(b).

“Non-assignable Contract” shall have the meaning set forth in Section 2.5(a).

“Non-Competition Period” shall have the meaning set forth in Section 5.4(b).

“Non-Solicitation Period” shall have the meaning set forth in Section 5.5.

“Offering Party” shall have the meaning set forth in Section 5.6(b).

“Operating Agreement Amendment” shall have the meaning set forth in Section 5.3.

“Operating Agreement Amendment Proposal” shall have the meaning set forth in Section 5.3.

“Operational Servicing Date” shall mean the first day on which SLM BankCo and Navient are operating under separate loan servicing clients for Private Education Loans on the loan servicing system of their common servicing system vendor.

“Other IP” shall mean all Intellectual Property that is owned by, licensed by or to, or sublicensed by Effective Time Sallie Mae.

“Parties” shall mean (i) prior to the Effective Time, Existing SLM (including for this purpose only, Existing SLM Holdco after the Merger Effective Time), Navient and SLM BankCo and (ii) from and after the Effective Time, Navient and SLM BankCo.

“Permitted Government Education Loan” shall mean a Government Education Loan that is made by a private lender which retains significant credit risk. For the avoidance of doubt, “Permitted Government Education Loan” does not include a loan that consolidates or refinances an education loan.

“Person” shall mean an individual, a general or limited partnership, a corporation, a trust, a joint venture, an unincorporated organization, a limited liability entity, any other entity and any Governmental Authority.

“Plan of Merger” shall mean the Agreement and Plan of Merger by and among Existing SLM, SLM BankCo and MergerSub, substantially in the form of Exhibit E.

“Preferred Stock Period” shall have the meaning set forth in the SMI Certificate of Incorporation.

“Pre-Separation Consumer Banking Business” shall mean the businesses, operations and activities conducted immediately prior to the Effective Time by Sallie Mae Bank, Upromise and Sallie Mae Business Services and their Subsidiaries.

“Pre-Separation Education Loan Management Business” shall mean (a) all businesses, operations and activities conducted at any time prior to the Merger Effective Time by or on behalf of Existing SLM and its Subsidiaries and Affiliates, other than the Pre-Separation Consumer Banking Business, and (b) all businesses, operations and activities conducted at any time prior to the Merger Effective Time by or on behalf of Existing SLM and its current and former Subsidiaries and Affiliates that have been sold, divested or discontinued.

“Prime Rate” shall mean the latest U.S. prime rate as published by the U.S. edition of the Wall Street Journal under the section “Borrowing Benchmarks—Money Rates—Prime Rate” (or any replacement to that section).

“Private Education Loan” shall mean (A) a loan provided by a private educational lender that (i) is not a Government Education Loan or a FFELP Loan and (ii) is issued expressly for post-secondary educational expenses to a borrower, regardless of whether the loan is provided through the educational institution that the subject student attends or directly to the borrower from the private educational lender. For the avoidance of doubt, “Private Education Loan” does not include (x) an extension of credit under an open end consumer credit plan, a reverse mortgage transaction, a residential mortgage transaction or any other loan that is secured by real property or a dwelling or (y) a loan that consolidates or refinances an education loan.

“Private Loan Servicing Assets” shall mean (i) the Private Loan Servicing Registrable IP, (ii) the Intellectual Property, Software and Technology owned by SMI and that is used or held for use exclusively in the Pre-Separation Consumer Banking Business, including the Intellectual Property, Software and Technology that is an integral part of the SLM BankCo Systems, but excluding the ATLAS Software and the Intellectual Property, Software and Technology that is an integral part of the Excluded Systems, (iii) all of the Equity Interests of Sallie Mae Business Services (iv) those Assets of SMI identified on Schedule 1.6, which are to

be transferred to Private ServiceCo, and (v) the assignment of a perpetual license to the Software, Technology and related Intellectual Property that comprises the third-party Software component of the ATLAS System.

“Private Loan Servicing Business” shall mean the business, operations and activities conducted at any time after the Effective Time by Private Service Co.

“Private Loan Servicing Business Systems” shall mean the Effective Time Sallie Mae IT systems listed on Schedule 1.8(c).

“Private Loan Servicing Registrable IP” shall mean the Registrable IP, SLM BankCo Patents, SLM BankCo Name and SLM BankCo Marks set forth on Schedule 1.5(b) to be transferred to Private ServiceCo.

“Private Loan Servicing Liabilities” shall mean all of Liabilities of SMI that are to be transferred to Private ServiceCo and that are not Navient Liabilities, as set forth on Schedule 1.7.

“Private ServiceCo” shall mean SMB Servicing Company, Inc., a Delaware corporation.

“Program Managers” shall have the meaning set forth in Section 7.1(a)(ii).

“RE 2” shall have the meaning set forth in Section 2.1(d).

“RE 3” shall have the meaning set forth in Section 2.1(d).

“RE 5” shall have the meaning set forth in Section 2.1(g).

“Record Date” shall mean 4:00 p.m., Eastern Standard Time, on April [30], 2014.

“Record Holders” shall mean the holders of record of issued and outstanding shares of Existing SLM Common Stock as of the Record Date.

“Registrable IP” shall mean all patents, patent applications, statutory invention registrations, registered trademarks, registered service marks, registered Internet domain names and copyright registrations.

“Release” shall mean any release, spill, emission, discharge, leaking, pumping, pouring, dumping, injection, deposit, disposal, dispersal, leaching or migration of Hazardous Materials into the environment (including, ambient air, surface water, groundwater and surface or subsurface strata).

“Representatives” shall mean, with respect to any Person, any of such Person’s directors, officers, employees, agents, consultants, advisors, accountants, attorneys or other representatives.

“Sallie Mae Bank” shall mean Sallie Mae Bank, a Utah industrial bank and insured depository institution.

“Sallie Mae Board” shall mean (i) the Existing SLM Board prior to the Merger Effective Time and (ii) the SLM BankCo Board from and after the Merger Effective Time up to the Effective Time.

“Sallie Mae Business Services” shall mean Sallie Mae Business Services, LLC, a Delaware limited liability company.

“SEC” shall mean the United States Securities and Exchange Commission.

“Securitization Trust Notes” shall mean all notes backed by FFELP Loans or Private Education Loans issued by the Securitization Trusts.

“Securitization Trusts” shall mean any Delaware statutory trust established by any member of the Navient Group or the SLM BankCo Group prior to the Effective Time for the purpose of issuing notes backed by FFELP Loans or Private Education Loans, including those listed on Schedule 1.1(b).

“Security Interest” shall mean any mortgage, security interest, pledge, lien, charge, claim, option, right to acquire, voting or other restriction, right-of-way, covenant, condition, easement, encroachment, restriction on transfer or other encumbrance of any nature whatsoever.

“Separation” shall have the meaning set forth in the Recitals.

“Separation Oversight Committee” shall have the meaning set forth in Section 7.1(b)(i).

“Separation Oversight Period” shall have the meaning set forth in Section 7.1(a)(iii).

“Servicing Liability Cut-off Date” shall mean the third anniversary of the Effective Time.

“Shared Contract” shall have the meaning set forth in Section 2.5(a).

“Shared Policies” shall have the meaning set forth in Section 5.1(c).

“SLM BankCo” shall have the meaning set forth in the Preamble.

“SLM BankCo Accounts” shall have the meaning set forth in Section 2.11(a).

“SLM BankCo Assets” shall have the meaning set forth in Section 2.2(b).

“SLM BankCo Balance Sheet” shall mean the consolidated balance sheet of SLM BankCo, including the notes thereto, as of December 31, 2013, to be filed as an exhibit on Form 8-K by SLM BankCo within four business days after the Distribution Date.

“SLM BankCo Board” shall mean the board of directors of SLM BankCo and any authorized committee thereof, as it is constituted from and after the Merger Effective Time.

“SLM BankCo Business” shall mean the businesses, operations and activities conducted at any time from and after the Effective Time by the SLM BankCo Group.

“SLM BankCo Bylaws” shall mean the Amended and Restated Bylaws of SLM BankCo in effect as of the Effective Time.

“SLM BankCo Certificate of Incorporation” shall mean the Amended and Restated Certificate of Incorporation of SLM BankCo in effect as of the Effective Time.

“SLM BankCo Contracts” shall mean the contracts and agreements (whether or not in writing) listed on Schedule 1.2(b) or entered into, assumed by or assigned to a member of the SLM BankCo Group as of the Effective Time.

“SLM BankCo Common Stock” shall mean the common stock, par value \$0.20 per share, authorized by the SLM BankCo Certificate of Incorporation.

“SLM BankCo Counsel” shall have the meaning set forth in Section 6.7(a).

“SLM BankCo Entities” shall have the meaning set forth in Section 2.2(b)(iii).

“SLM BankCo GAAP Equity” shall mean the consolidated equity of SLM BankCo, as determined under generally accepted accounting principles followed by SLM BankCo, as of the Distribution Date after giving effect to the Separation and the Distribution but before giving effect to the Initial Cash Contribution.

“SLM BankCo Group” shall mean SLM BankCo, each Subsidiary of SLM BankCo and each Affiliate of SLM BankCo, as constituted as of and after the Effective Time.

“SLM BankCo Indemnitees” shall have the meaning set forth in Section 4.2.

“SLM BankCo Intellectual Property” shall mean (a) the SLM Name, SLM BankCo Marks and SLM BankCo Patents, and (b) all Other IP that is used or held for use exclusively in the Pre-Separation Consumer Banking Business, including the Intellectual Property that is an integral part of the SLM BankCo Systems, but excluding the Intellectual Property that is an integral part of the Excluded Systems.

“SLM BankCo Liabilities” shall have the meaning set forth in Section 2.3(b).

“SLM BankCo Licensed Systems” means the Software, Technology and related Intellectual Property owned by SLM BankCo as of the Effective Time that comprises the IT systems identified on Schedule 1.9(a).

“SLM BankCo Patents” means the United States patents identified on Schedule 1.5(b), including all provisionals, divisions, reexaminations, continuations and continuations-in-part, and all reissues and extensions thereof.

“SLM BankCo Program Manager” shall have the meaning set forth in Section 7.1(a)(ii).

“SLM BankCo Restricted Business” shall have the meaning set forth in Section 5.4(c).

“SLM BankCo Series A Preferred Stock” shall mean the 6.97% Cumulative Redeemable Preferred Stock, Series A, par value \$0.20 per shares, of SLM BankCo, as authorized by the SLM BankCo Certificate of Incorporation.

“SLM BankCo Series B Preferred Stock” shall mean the Floating Rate Non-Cumulative Preferred Stock, Series B, par value \$0.20 per shares, of SLM BankCo, as authorized by the SLM BankCo Certificate of Incorporation.

“SLM BankCo Software” shall mean all Software that is owned or licensed by Effective Time Sallie Mae that is used or held for use exclusively in the Pre-Separation Consumer Banking Business, including the Software that is an integral part of the SLM BankCo Systems, but excluding the Software that is an integral part of the Excluded Systems and the Software that comprises the Navient Licensed Systems.

“SLM BankCo Systems” shall mean the Effective Time Sallie Mae IT systems listed on Schedule 1.8(a).

“SLM BankCo Technology” shall mean all Technology that is owned or licensed by Effective Time Sallie Mae that is used or held for use exclusively in the Pre-Separation Consumer Banking Business, including the Technology that is an integral part of the SLM BankCo Systems, but excluding the Technology that is an integral part of each of the Excluded Systems or the Navient Licensed Systems.

“SLM BankCo Transfer Documents” shall have the meaning set forth in Section 2.4(a).



“SLM BankCo Names and SLM BankCo Marks” shall mean the names, marks, trade dress, logos, monograms, domain names and other source or business identifiers of Effective Time Sallie Mae using or containing “Sallie Mae,” “SLM,” or any other word or element listed on Schedule 1.5(b) (in block letters or otherwise), either alone or in combination with other words or elements, and all names, marks, trade dress, logos, monograms, domain names and other source or business identifiers confusingly similar to or embodying any of the foregoing either alone or in combination with other words or elements, together with the goodwill associated with any of the foregoing.

“SMI” shall mean Sallie Mae, Inc., a Delaware corporation (it being acknowledged that Sallie Mae, Inc. will change its name to Navient Solutions, Inc. on or about the Effective Time).

“SMI Certificate of Incorporation” shall mean the Amended and Restated Certificate of Incorporation of SMI, substantially in the form of Exhibit F.

“SMI Board” shall mean the board of directors of SMI and any authorized committee thereof.

“SMI Licensed IP” shall have the meaning set forth in Section 2.1(k)(iv).

“SMI Preferred Stock” shall mean the preferred stock, par value \$0.01 per share, of SMI authorized by the SMI Certificate of Incorporation.

“SMI Preferred Stock Issuance” shall have the meaning set forth in Section 2.1(n).

“Software” shall mean any and all (a) computer programs, including any and all software implementation of algorithms, models and methodologies, whether in source code, object code, human readable form or other form, (b) databases and compilations, including any and all data and collections of data, whether machine readable or otherwise, (c) descriptions, flow charts and other work products used to design, plan, organize and develop any of the foregoing, (d) screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons and (e) documentation, including user manuals and other training documentation, relating to any of the foregoing.

“Sublease Agreement” shall mean the Sublease Agreement relating to the real property in Reston, Virginia to be subleased by Navient (or one of its Subsidiaries) to SLM BankCo (or one or more of its Subsidiaries ) to be entered into by and between SLM BankCo and Navient or one or more of their respective Subsidiaries in connection with the Separation and the Distribution.

“Subsidiary” shall mean, with respect to any Person, any corporation, limited liability company, joint venture, trust or partnership of which such Person (a) beneficially owns,

either directly or indirectly, more than fifty percent (50%) of (i) the total combined voting power of all classes of voting securities of such Person, (ii) the total combined equity interests or (iii) the capital or profit interests, in the case of a partnership, or (b) otherwise has the power to vote, either directly or indirectly, sufficient securities to elect a majority of the board of directors or similar governing body.

“Taxes” shall have the meaning set forth in the Tax Sharing Agreement.

“Tax Return” shall have the meaning set forth in the Tax Sharing Agreement.

“Tax Sharing Agreement” shall mean the Tax Sharing Agreement to be entered into by and between SLM BankCo and Navient or their respective Subsidiaries in connection with the Separation, the Distribution and the other transactions contemplated by this Agreement.

“Technology” shall mean all technology, designs, formulae, algorithms, procedures, methods, discoveries, processes, techniques, ideas, know-how, research and development, technical data, tools, materials, specifications, processes, inventions (whether patentable or unpatentable and whether or not reduced to practice), apparatus, creations, improvements, works of authorship in any media, confidential, proprietary or nonpublic information, and other similar materials, and all recordings, graphs, drawings, reports, analyses and other writings, and other tangible embodiments of the foregoing in any form whether or not listed herein, in each case, other than Software.

“Third Party Claim” shall have the meaning set forth in Section 4.5(a).

“Threatened Action” shall mean any subpoena, written findings of an examination or other notice of intent, formal or informal, sufficient to specifically allege or cite unfair, deceptive, abusive or discriminatory practices or for any other reason to create the material risk of an Action or demand for damages, fines, civil money penalties or restitution by or before any federal, state, local, foreign or international Governmental Authority having authority over a Party or any member of its Group or any mediation or arbitration tribunal.

“Transfer Documents” shall have the meaning set forth in Section 2.4(b).

“Transition Services Agreement” shall mean the Transition Services Agreement to be entered into by and between SLM BankCo and Navient in connection with the Separation, the Distribution and the other transactions contemplated by this Agreement.

“Trigger Event” shall have the meaning set forth in Section 4.2(e).

“Unreleased Navient Liability” shall have the meaning set forth in Section 2.8(b).

“Unreleased SLM BankCo Liability” shall have the meaning set forth in Section 2.9(b).

“Upromise” shall mean Upromise, Inc., a Delaware corporation.

ARTICLE II  
THE SEPARATION

The Reorganization and Separation. Prior to the Distribution, the Parties shall take or cause to be taken the following actions (to the extent not taken prior to the date hereof):

(a) *Formation of Navient; Charter Documents.* The Parties acknowledge that Existing SLM caused Navient to be formed as a wholly owned Subsidiary of Existing SLM on November 7, 2013, for the purpose of holding the Navient Assets following the Separation and the Distribution. By no later than the Merger Effective Time, Existing SLM and Navient shall cause to be taken such action as may be required under the DGCL and Navient’s charter documents to cause Navient’s certificate of incorporation to become the Navient Certificate of Incorporation and Navient’s bylaws to become the Navient Bylaws.

(b) *Formation of Private ServiceCo.* The Parties acknowledge that SMI caused Private ServiceCo to be formed as a wholly owned Subsidiary of SMI on September 12, 2013, for the purpose of holding the Private Loan Servicing Business following the Separation and the Distribution.

(c) *Formation of SLM BankCo; Charter Documents.* The Parties acknowledge that Existing SLM caused SLM BankCo to be formed as a wholly owned Subsidiary of Existing SLM on December 2, 2013, for the purpose of holding the SLM BankCo Assets following the Separation and the Distribution.

(d) *Formation of RE 3.* The Parties acknowledge that Existing SLM caused RE Services 2, LLC, a wholly owned subsidiary of Existing SLM (“RE 2”), to form RE Services 3, LLC, a Delaware limited liability company (“RE 3”), as a wholly owned Subsidiary of RE 2 on October 7, 2013, for the purpose of holding RE 2’s building located at 8320 Craig Street, Indianapolis, Indiana.

(e) *Contribution to RE 3.* The Parties acknowledge that Existing SLM caused RE 2 to contribute the building located at 8320 Craig Street, Indianapolis, Indiana, to RE 3 on April 16, 2014.

(f) *Distribution of RE 3 to Existing SLM.* On April 28, 2014, RE 2 distributed 100% of the membership interests of RE 3 to Existing SLM, such that RE 3 is a wholly owned Subsidiary of Existing SLM.

(g) *Contribution of RE 3 and RE 5 to Sallie Mae Bank.* On April 28, 2014, Existing SLM contributed 100% of the membership interests in RE 3 and 100% of the stock of RE Services 5, Inc., a Delaware corporation (“RE 5”), to Sallie Mae Bank, such that each of RE 3 and RE 5 is a wholly owned Subsidiary of Sallie Mae Bank.

(h) *Formation of MergerSub.* The Parties acknowledge that SLM BankCo caused MergerSub to be formed as a wholly owned Subsidiary of SLM BankCo on April 7, 2014.

(i) *Merger of Existing SLM and MergerSub.* On the Distribution Date but prior to the Effective Time, Existing SLM shall merge with and into MergerSub (the "Merger") in accordance with Section 251(g) of the DGCL and Section 18-209 of the DLLCA, the Certificate of Merger and the Plan of Merger. As a result of the Merger and in accordance with the Plan of Merger: (i) MergerSub shall (x) continue as the surviving entity, (y) be governed by the Existing SLM Holdco Operating Agreement and (z) remain a wholly owned Subsidiary of SLM BankCo; (ii) each issued and outstanding share of Existing SLM Common Stock shall be converted into one share of SLM BankCo Common Stock; (iii) each issued and outstanding share of Existing SLM Series A Preferred Stock shall be converted into one share of SLM BankCo Series A Preferred Stock; and (iv) each issued and outstanding share of Existing SLM Series B Preferred Stock shall be converted into one share of SLM BankCo Series B Preferred Stock. The directors of Existing SLM immediately prior to the Merger Effective Time shall be the directors of SLM BankCo as of the Merger Effective Time, and the officers of SLM BankCo immediately prior to the Merger Effective Time shall remain the officers of SLM BankCo as of the Merger Effective Time.

(j) *Name Change of SLM BankCo.* SLM BankCo shall file an amendment to the SLM BankCo Certificate of Incorporation to change its name to "SLM Corporation" as of or immediately following the Merger Effective Time, and Existing SLM shall take such action as may be required under applicable Law to permit such filing.

(k) *Contribution of Private Loan Servicing Business.* Following the Merger Effective Time, Existing SLM Holdco shall cause SMI to contribute to Private ServiceCo all of the Private Loan Servicing Assets and Private Loan Servicing Liabilities, and Private ServiceCo shall accept such Private Servicing Loan Assets and assume such Private Loan Servicing Liabilities, as follows (the "Contribution"):

(i) *Transfer and Assignment of Private Loan Servicing Assets.* Existing SLM Holdco shall cause SMI to contribute, assign, transfer, convey and deliver to Private ServiceCo, and Private ServiceCo shall accept, from SMI, all of the direct or indirect right, title and interest in and to all of the Private Loan Servicing Assets.

(ii) *Acceptance and Assumption of Private Loan Servicing Liabilities.* Existing SLM Holdco shall cause SMI to assign to Private ServiceCo, and Private ServiceCo shall assume and agree faithfully to timely perform, discharge and fulfill in accordance with their respective terms, all of the Private Loan Servicing Liabilities.

(iii) *Contribution of Joint Ownership Interest in ATLAS Software.* Existing SLM Holdco shall cause SMI to contribute, assign, transfer, convey and deliver to Private ServiceCo an undivided joint ownership interest in and to the ATLAS Software, subject to SMI's retention of an undivided joint ownership interest and associated rights in and to the ATLAS Software. Subject to the agreement as joint owners to the restrictions set forth in [Section 5.9\(a\)](#), and the rights to certain derivative works as set forth in [Section 5.9\(a\)](#), each joint owner of the ATLAS Software shall otherwise have full rights of ownership with respect to the ATLAS Software, including, but not limited to the right to reproduce, use, develop, improve, perform, display, manufacture, create derivative works of, and otherwise fully exploit the ATLAS Software without restriction and in parallel with each other without the further consent of, or accounting to, the other joint owner. For the avoidance of doubt, subject to [Section 5.9\(b\)](#), all derivative works prepared from the ATLAS Software or any part thereof after the Effective Time shall be and remain the exclusive property of the member of the Navient Group or the SLM BankCo Group, as applicable, developing such derivative work of the ATLAS Software. Each joint owner of the ATLAS Software shall have all right and ability to obtain registrations of the Registrable IP with respect to the derivative works of the ATLAS Software created by it without the consent of, or accounting to, the other joint owner.

(iv) *Contribution of License to SMI Licensed IP.* Existing SLM Holdco shall cause SMI to contribute, assign, transfer, convey and deliver to Private ServiceCo a nonexclusive, perpetual, royalty-free, transferable, assignable, sublicenseable, worldwide right and license to all Intellectual Property, Technology and Software, in each case (1) owned by SMI and (2) used or held for use in connection with or integral to the Private Loan Servicing Business Systems (the "[SMI Licensed IP](#)"), including, but not limited to the right to reproduce, use, develop, improve, perform, display, distribute, sell, offer to sell, nonexclusively license and sublicense, create derivative works from, and otherwise fully exploit without restriction, the SMI Licensed IP. For the avoidance of doubt, SMI Licensed IP expressly excludes (x) the ATLAS Software (as joint ownership of the same will be granted to Private ServiceCo in accordance with paragraph (iii) above), and (y) Private Loan Servicing Registrable IP (as the same will be contributed to Private ServiceCo in accordance with paragraph (i) above).

(l) *Distribution of Private ServiceCo Stock.* Following the Contribution and the Merger Effective Time and prior to the Effective Time, Existing

SLM Holdco shall cause SMI to distribute all of the Equity Interests of Private ServiceCo to Existing SLM Holdco, such that Private ServiceCo becomes a wholly owned Subsidiary of Existing SLM Holdco.

(m) *Distribution of Equity Interests of Certain Subsidiaries to SLM BankCo.* Following the Contribution and the Merger Effective Time and prior to the Effective Time, Existing SLM Holdco shall distribute all of the Equity Interests of each of the Subsidiaries listed on Schedule 2.1(m) to SLM BankCo and Existing SLM shall withdraw as the sole member of The Sallie Mae Fund and SLM BankCo shall become the sole member of The Sallie Mae Fund (collectively, the “Equity Distribution”), such that each of such Subsidiaries becomes a wholly owned Subsidiary of SLM BankCo.

(n) *Issuance of SMI Preferred Stock.* Existing SLM shall cause SMI to file the SMI Certificate of Incorporation with the Delaware Secretary of State prior to its issuance of the SMI Preferred Stock hereunder. Following the Equity Distribution and prior to the Effective Time, SLM BankCo shall purchase from SMI 200 shares of SMI Preferred Stock for a purchase price of \$800 the “SMI Preferred Stock Issuance”).

(o) *Contribution of Existing SLM Holdco to Navient.* Following the Equity Distribution and the SMI Preferred Stock Issuance and prior to the Effective Time, SLM BankCo shall contribute all of the Equity Interests of Existing SLM Holdco to Navient, such that Existing SLM Holdco becomes a wholly owned Subsidiary of Navient.

(p) *Transfer of Other Assets and Assumption of Other Liabilities.* Prior to the Effective Time and to the extent not effected pursuant to the preceding provisions of this Section 2.1:

(i) *Transfer and Assignment of any Navient Assets held by SLM BankCo.* SLM BankCo shall, and shall cause its Subsidiaries to, contribute, assign, transfer, convey and deliver to Navient or a Subsidiary of Navient designated by Navient, and Navient and such Subsidiary shall accept from SLM BankCo and its Subsidiaries, all of SLM BankCo’s and such Subsidiaries’ respective direct or indirect right, title and interest, in and to Navient Assets, if any, owned or held for use by any member of the SLM BankCo Group immediately prior to the Effective Time.

(ii) *Acceptance and Assumption of Navient Liabilities.* SLM BankCo shall, and shall cause its Subsidiaries to, assign to Navient or a Subsidiary of Navient designated by Navient, and Navient and such Subsidiary shall accept, assume and agree faithfully to timely perform, discharge and fulfill in accordance with their respective terms, Navient Liabilities, if any, held by any member of the SLM BankCo Group immediately prior to the Effective Time.

(iii) *Transfer and Assignment of any SLM BankCo Assets held by Navient.* Navient shall, and shall cause its applicable Subsidiaries to, contribute, assign, transfer, convey and deliver to SLM BankCo, or a Subsidiary of SLM BankCo designated by SLM BankCo, and SLM BankCo or such Subsidiary shall accept from Navient and its Subsidiaries, all of Navient's and such Subsidiaries' respective direct or indirect right, title and interest in and to the SLM BankCo Assets, if any, owned or held for use by Navient or any of its Subsidiaries immediately prior to the Effective Time.

(iv) *Acceptance and Assumption of SLM BankCo Liabilities.* Navient shall, and shall cause its Subsidiaries to, assign to SLM BankCo or a Subsidiary of SLM BankCo designated by SLM BankCo, and SLM BankCo and such Subsidiary shall accept, assume and agree faithfully to timely perform, discharge and fulfill in accordance with their respective terms, SLM BankCo Liabilities, if any, held by any member of the Navient Group immediately prior to the Effective Time.

(q) *Contribution of Private ServiceCo to Sallie Mae Bank.* SLM BankCo shall contribute all of the outstanding capital stock of Private ServiceCo to Sallie Mae Bank, such that Private ServiceCo becomes a wholly owned Subsidiary of Sallie Mae Bank.

## 2.2 Navient Assets; SLM BankCo Assets.

(a) *Navient Assets.* For purposes of this Agreement, "Navient Assets" shall mean all Assets of Effective Time Sallie Mae other than the SLM BankCo Assets, including the following (without limitation or duplication):

(i) all Navient Contracts and all rights, interests or claims of Effective Time Sallie Mae therein; provided that Navient Contracts that are Shared Contracts shall be governed by Section 2.5 and be treated as Navient Assets to the extent so treated therein;

(ii) all issued and outstanding Equity Interests of any existing or previously formed, owned or existing Subsidiary of Effective Time Sallie Mae, other than the SLM BankCo Entities (such Subsidiaries, the "Navient Entities"), including the Subsidiaries listed on Schedule 2.2(a)(ii);

(iii) except with respect to the license rights granted pursuant to Section 2.14, all rights, interests and claims of Effective Time Sallie Mae to any Navient Names and Navient Marks, Navient Intellectual Property, Navient Patents, Navient Software and Navient Technology, and SMI's undivided joint ownership interest in the ATLAS Software;

(iv) all Information or other rights and interests with respect to Information of Effective Time Sallie Mae that is exclusively related to the Navient Assets, the Navient Liabilities, the Pre-Separation Education Loan Management Business or the Navient Entities and, subject to the provisions of any applicable Ancillary Agreements, a non-exclusive right to all Information of Effective Time Sallie Mae that is related to (but not exclusively related to) the Navient Assets, the Navient Liabilities, the Pre-Separation Education Loan Management Business or the Navient Entities;

(v) (A) the owned real property listed on Schedule 2.2(a)(v)(A) and (B) the leases governing the leased real property listed on Schedule 2.2(a)(v)(B);

(vi) any and all Assets of any member of the Navient Group, as of the Effective Time, that are not SLM BankCo Assets;

(vii) the Assets listed on Schedule 2.2(a)(vii) that are owned by the identified member of the SLM BankCo Group immediately prior to the Effective Time; and

(viii) except as contemplated by Section 2.6(b), any and all other Assets (other than Intellectual Property, Software and Technology), owned or held by Effective Time Sallie Mae that have historically been used or held for use primarily in the Pre-Separation Education Loan Management Business that are not SLM BankCo Assets. The intention of this clause (viii) is to rectify any inadvertent omission of transfer or conveyance of any Asset to a member of the Navient Group that, had the Parties given specific consideration to such Asset as of the date hereof, would have been designated a Navient Asset. No Asset shall be deemed a Navient Asset solely as a result of this clause (viii) if such Asset is within the category or type of Asset expressly covered by the terms of this Agreement or an Ancillary Agreement as being a SLM BankCo Asset unless Navient can establish that the omission of the transfer or conveyance of such Asset to a member of the Navient Group was inadvertent.

All rights of the Navient Group in respect of Existing SLM insurance policies are set forth in Section 5.1 and shall not otherwise be included in the Navient Assets.

(b) *SLM BankCo Assets*. For the purposes of this Agreement, “SLM BankCo Assets” shall mean (without duplication):

(i) all Assets (other than SLM BankCo Contracts) that are expressly contemplated by this Agreement or any Ancillary Agreement (or the schedules hereto or thereto) to be Assets to be transferred to or retained by any member of the SLM BankCo Group, including the Private Loan Servicing Assets and the other Assets set forth on Schedule 2.2(b)(i);



(ii) all SLM BankCo Contracts and all rights, interests or claims of Effective Time Sallie Mae therein, provided that SLM BankCo Contracts that are Shared Contracts shall be governed by Section 2.5 and be treated as SLM BankCo Assets to the extent so treated therein;

(iii) all issued and outstanding Equity Interests in the entities listed on Schedule 2.2(b)(iii) (such Subsidiaries, the “SLM BankCo Entities”);

(iv) any cash or cash equivalents held at a member of the SLM BankCo Group and an amount (the “Cash Contribution”), in cash, equal to the difference between \$1.710 billion and the SLM BankCo GAAP Bank Equity. Prior to the Effective Time, Navient shall deliver, or cause another member of the Navient Group to deliver, for application against the Cash Contribution, an amount equal to the Initial Cash Contribution. The Parties shall true up the difference between the Cash Contribution and the Initial Contribution promptly after the final determination of the SLM BankCo GAAP Equity by SLM BankCo after the Effective Time, and pending payment such difference shall be deemed held in accordance with Section 2.11(e);

(v) except with respect to the license rights granted pursuant to Section 2.14 and notwithstanding the separation and migration activities to be conducted pursuant to Section 5.8, any and all rights, interests and claims of Effective Time Sallie Mae to any of the SLM BankCo Names and SLM BankCo Marks, SLM BankCo Intellectual Property, SLM BankCo Patents, SLM BankCo Software or SLM BankCo Technology, and Private ServiceCo’s undivided joint ownership interest in the ATLAS Software;

(vi) (A) the owned real property listed on Schedule 2.2(b)(vi)(A) and (B) the leases governing the leased real property listed on Schedule 2.2(b)(vi)(B);

(vii) any and all Assets of any member of the SLM BankCo Group, as of the Effective Time, that are not expressly identified in this Agreement or in any Ancillary Agreement as Navient Assets;

(viii) all Information or other rights or interests with respect to Information of Effective Time Sallie Mae that is exclusively related to the SLM BankCo Assets, the SLM BankCo Liabilities, the Pre-Separation Consumer Banking Business or the SLM BankCo Entities and, subject to the provisions of any applicable Ancillary Agreement, a non-exclusive right to all Information that is related to (but not exclusively related to) the SLM BankCo Assets, the SLM BankCo Liabilities, the Pre-Separation Consumer Banking Business or the SLM BankCo Entities; and

(ix) except as contemplated by Section 2.6(b), any and all other Assets (other than Intellectual Property, Software and Technology), owned or held by Effective Time Sallie Mae that have historically been used or held for use primarily in the Pre-Separation Consumer Banking Business. The intention of this clause (ix) is to rectify any inadvertent omission of transfer or conveyance of any Assets to a member of the SLM BankCo Group that, had the Parties given specific consideration to such Asset as of the date hereof, would have been designated a SLM BankCo Asset. No Asset shall be deemed to be a SLM BankCo Asset solely as a result of this clause (ix) if such Asset is within the category or type of Asset expressly covered by the terms of this Agreement or an Ancillary Agreement to be a Navient Asset unless SLM BankCo can establish that the omission of the transfer or conveyance of such Asset to a member of the SLM BankCo Group was inadvertent.

All rights of the SLM BankCo Group in respect of Existing SLM insurance policies are set forth in Section 5.1 and shall not otherwise be included in the SLM BankCo Assets.

### 2.3 Navient Liabilities; SLM BankCo Liabilities.

(a) *Navient Liabilities.* For the purposes of this Agreement, “Navient Liabilities” shall mean all Liabilities of Effective Time Sallie Mae other than SLM BankCo Liabilities, including the following Liabilities (without duplication):

(i) all Liabilities relating to, arising out of or resulting from the operation of the Pre-Separation Education Loan Management Business and the Pre-Separation Consumer Banking Business at any time prior to the Effective Time, other than Liabilities relating to, arising out of or resulting from the Pre-Separation Consumer Banking Business that are expressly allocated to or assumed by a member of the SLM BankCo Group pursuant to this Agreement or any Ancillary Agreement, other than the servicing and collections activities separately described in Section 2.3(a)(ii);

(ii) all Liabilities relating to, arising out of or resulting from:

(A) servicing, operations and collections activities performed by Existing SLM or any of its Subsidiaries (including SMI) prior to the Effective Time with respect to Private Education Loans and FFELP Loans that are SLM BankCo Assets or Navient Assets as of the Effective Time; *provided*, that such Liabilities arise from an Action or Threatened Action involving any member of the SLM BankCo Group with respect to which written notice is provided to Navient in accordance with Section 10.5 by or before the Servicing Liability Cut-off Date (but Navient will not be liable for Liabilities arising from any Action brought directly by any member of the SLM BankCo Group against any member of the Navient

Group with respect to which (i) there is not and has not been any related Action or Threatened Action by a third party against any member of either Group and (ii) a member of the Navient Group is the prevailing party in such Action); and *provided, further*, that (x) Liabilities that would otherwise be Navient Liabilities pursuant to this Section 4.3(a)(ii)(A) shall not be Navient Liabilities if they are due to or result from Laws (excluding for this purpose any interpretation of any Law) that are adopted or become effective after the Effective Time (“New Law”), and (y) in the case of a change in the interpretation of, or position held by, a Governmental Authority after the Effective Time with respect to any Law from the interpretation or position held by such Governmental Authority prior to the Effective Time (a “Change in Interpretation”), such Change in Interpretation will not diminish Navient’s liability as provided above (including for restitution, disgorgement and similar monetary obligations, which will be Navient Liabilities), but SLM BankCo (and not Navient) will be responsible for the costs of implementing changes in systems and processes that the parties reasonably agree are required to be undertaken by Navient and/or SLM BankCo with respect to servicing, operations or collections activities on behalf of any member of the SLM BankCo Group attributable to such Change in Interpretation but only to the extent such Change in Interpretation would not otherwise require any member of the Navient Group to implement such changes in systems and processes; and

(B) servicing activities identified on Schedule 2.3(a)(ii)(B) performed by Navient or any of its Subsidiaries (including SMI or its successor) during the period commencing at the Effective Time and ending on the Operational Servicing Date pursuant to the Transition Services Agreement with respect to Private Education Loans owned by SLM BankCo or Navient as of and after the Effective Time; *provided*, that such Liabilities arise from an Action or Threatened Action involving any member of the SLM BankCo Group with respect to which written notice is provided to Navient in accordance with Section 10.5 by or before the Extended Servicing Liability Cut-off Date (but Navient will not be liable for Liabilities arising from any Action brought directly by any member of the SLM BankCo Group against any member of the Navient Group with respect to which (i) there is not and has not been any related Action or Threatened Action by a third party against any member of either Group and (ii) Navient is the prevailing party in such Action); and *provided, further*, that (x) Liabilities that would otherwise be Navient Liabilities pursuant to this Section 4.3(a)(ii)(B) shall not be Navient Liabilities if they are due to or result from a New Law that relates to such servicing activities by a member of the Navient Group that occurred prior to the effective date of such New Law and (y) in the case of a Change in

Interpretation affecting such servicing activities, such Change in Interpretation will not diminish Navient's liability as provided above (including for restitution, disgorgement and similar monetary obligations, to the extent they exceed the amount required to correct the borrowers' accounts, which will be Navient Liabilities), but SLM BankCo (and not Navient) will be responsible for the costs of implementing changes in systems and processes that the parties reasonably agree are required to be undertaken by Navient and/or SLM BankCo with respect to servicing, operations or collections activities on behalf of any member of the SLM BankCo Group attributable to such Change in Interpretation but only to the extent such Change in Interpretation would not otherwise require any member of the Navient Group to implement such changes in systems and processes.

(iii) all Liabilities relating to, arising out of or resulting from the operation of the Navient Business at any time from and after the Effective Time;

(iv) any and all Liabilities of any Navient Entity that are not expressly provided by this Agreement or any Ancillary Agreement (or the schedules hereto or thereto) to be a SLM BankCo Liability;

(v) all agreements, obligations and Liabilities of any member of the Navient Group under the Navient Contracts or any Non-Assignable Contracts;

(vi) all agreements, obligations and Liabilities of any member of the Navient Group under this Agreement or any of the Ancillary Agreements (in each case, subject to the limitations set forth in this Agreement or the Ancillary Agreement, as applicable);

(vii) except to the extent set forth in Section 2.3(b)(iii), all Liabilities relating to, arising out of or resulting from any of the businesses and operations terminated, divested, sold or discontinued by Existing SLM or any of its current or former Subsidiaries of Affiliates prior to the Merger Effective Time;

(viii) (A) all Liabilities relating to, arising out of or resulting from the Legacy Indebtedness, (B) all Liabilities of any member of the SLM BankCo Group or the Navient Group relating to, arising out of or resulting from the Securitization Trust Notes and (C) all Liabilities relating to, arising out of or resulting from the Legacy Swaps;

(ix) all Liabilities arising out of claims made by any current or former director, officer, employee, or agent of any Party against such Party or any member of the SLM BankCo Group or the Navient Group (or their respective directors, officers and employees) to the extent relating to, arising out of or

resulting from (A) the Pre-Separation Education Loan Management Business or the other business, operations, activities or Liabilities referred to in clauses (i) through (vi) above, inclusive, (B) the Pre-Separation Consumer Banking Business or (C) the Separation and the Distribution;

(x) all Liabilities arising out of claims made by any current or former common stockholder of Existing SLM or SLM BankCo against any Party (or their respective directors, officers or employees) relating to, arising out of or resulting from (i) actions or omissions of Existing SLM or SLM BankCo at or prior to the Effective Time or (ii) the Separation and the Distribution; and

(xi) all Liabilities arising out of common claims made within three years after the Effective Time by current or former holders of common stock and preferred stock of Existing SLM or SLM BankCo against any Party (or their respective directors, officers or employees) relating to, arising out of or resulting from (i) actions or omissions of Existing SLM or SLM BankCo at or prior to the Effective Time or (ii) the Separation and the Distribution. For the avoidance of doubt, the claims referred to in this Section 4.3(a)(xi) are those which do not depend, to any material extent, on whether the claimant is a holder of common stock or preferred stock.

Notwithstanding anything to the contrary herein, any Liability allocated to SLM BankCo under the Tax Sharing Agreement shall not be a Navient Liability.

(b) *SLM BankCo Liabilities*. For the purposes of this Agreement, "SLM BankCo Liabilities" shall mean (without duplication):

(i) those Liabilities related to, arising out of or resulting from operation of the Pre-Separation Consumer Banking Business prior to the Effective Time identified on Schedule 2.3(b)(i);

(ii) the support activities to be provided by SLM BankCo relating to third party transition services agreements, as contemplated by the Transition Services Agreement;

(iii) all agreements, obligations and Liabilities of any member of the SLM BankCo Group under the SLM BankCo Contracts or any Non-Assignable Contracts;

(iv) all agreements, obligations and Liabilities of any member of the SLM BankCo Group under this Agreement or any of the Ancillary Agreements (in each case, subject to the limitations set forth in this Agreement or the Ancillary Agreement, as applicable);

(v) the operation of the SLM BankCo Business at any time from and after the Effective Time; and

(vi) except to the extent provided in Section 4.2(e), all Liabilities arising out of claims made by any current or former preferred stockholder of Existing SLM or SLM BankCo against any Party (or their respective directors, officers or employees) relating to, arising out of or resulting from (i) actions or omissions of Existing SLM or SLM BankCo at or prior to the Effective Time or (ii) the Separation and the Distribution.

Notwithstanding anything to the contrary herein, any Liability allocated to Navient under the Tax Sharing Agreement shall not be a SLM BankCo Liability.

#### 2.4 Transfer Documents.

(a) *SLM BankCo Transfer Documents.* In furtherance of the contribution, assignment, transfer, conveyance and delivery of Navient Assets and the assignment and assumption of Navient Liabilities in accordance with Section 2.1, on or before the date that such Navient Assets are contributed, assigned, transferred, conveyed or delivered or such Navient Liabilities are assigned and assumed: (i) SLM BankCo shall execute and deliver, and shall cause its Subsidiaries to execute and deliver, such assignments, bills of sale, contribution agreements, distribution agreements, quitclaim deeds, stock powers, certificates of title, assignments of contracts and other instruments of transfer, conveyance and assignment as and to the extent necessary to evidence the contribution, assignment, transfer, conveyance and delivery of all of SLM BankCo's and its Subsidiaries' right, title and interest in and to the Navient Assets to Navient and its Subsidiaries, and (ii) Navient shall execute and deliver, and shall cause its applicable Subsidiaries to execute and deliver, such assignments and assumptions of contracts and other instruments of assignment and assumption as and to the extent necessary to evidence the valid and effective assignment to and assumption by Navient and its Subsidiaries of the Navient Liabilities. All of the foregoing documents contemplated by this Section 2.4(a) shall be referred to collectively herein as the "SLM BankCo Transfer Documents."

(b) *Navient Transfer Documents.* In furtherance of the contribution, assignment, transfer, conveyance and delivery of SLM BankCo Assets and the assignment and assumption of SLM BankCo Liabilities set forth in Section 2.1, on or before the date that such SLM BankCo Assets are contributed, assigned, transferred, conveyed or delivered or such SLM BankCo Liabilities are assigned and assumed: (i) Navient shall execute and deliver, and shall cause its Subsidiaries to execute and deliver, such assignments, bills of sale, contribution agreements, distribution agreements, quitclaim deeds, stock powers, certificates of title, assignments of contracts and other instruments of transfer, conveyance and assignment as and to the extent

necessary to evidence the contribution, assignment, transfer, conveyance and delivery of all of Navient's and its Subsidiaries' right, title and interest in and to the SLM BankCo Assets to SLM BankCo and its Subsidiaries and (ii) SLM BankCo shall execute and deliver, and shall cause its Subsidiaries to execute and deliver, such assignments and assumptions of contracts and other instruments of assignment and assumption as and to the extent necessary to evidence the valid and effective assignment to and assumption by SLM BankCo and its Subsidiaries of the SLM BankCo Liabilities. All of the foregoing documents contemplated by this Section 2.4(b) shall be referred to collectively herein as the "Navient Transfer Documents" and, together with the SLM BankCo Transfer Documents, the "Transfer Documents."

## 2.5 Treatment of Shared Contracts.

(a) Subject to applicable Law (including, in the case of the SLM BankCo Group, banking regulations and the advice of the SLM BankCo Group's counsel in respect thereof), and without limiting the generality of the obligations set forth in this Article II, unless the Parties otherwise agree or the benefits of any contract, agreement, arrangement, commitment or understanding described in this Section 2.5 are expressly conveyed to a member of a Group pursuant to this Agreement or an Ancillary Agreement: (i) any contract, agreement, arrangement, commitment or understanding that is listed on Schedule 2.5(a) shall be assigned in part to one or more members of each Group, if so assignable, or appropriately duplicated, novated or amended prior to, on or after the Effective Time, so that each Party or one or more other members of its Group shall, as of the Effective Time, be entitled to the rights and benefits, and shall assume the related portion of any Liabilities, inuring to its respective businesses, in each case, in accordance with the allocation of benefits and burdens set forth on Schedule 2.5(a); and (ii) (A) any contract, agreement, arrangement, commitment or understanding that is an SLM BankCo Asset or SLM BankCo Liability but that, prior to the Effective Time, inured in part to the benefit or burden of any member of the Navient Group (other than any such contract, agreement, arrangement, commitment or understanding covering substantially the same services or arrangements that are covered by a contract, agreement, arrangement, commitment or understanding entered into by a member of the Navient Group in connection with the Separation), and (B) any contract, agreement, arrangement, commitment or understanding that is a Navient Asset or a Navient Liability but that, prior to the Effective Time, inured in part to the benefit or burden of any member of the SLM BankCo Group (other than any such contract, agreement, arrangement, commitment or understanding covering substantially the same services or arrangements that are covered by a contract, agreement, arrangement, commitment or understanding entered into by a member of the SLM BankCo Group in connection with the Separation), shall be assigned in part to the applicable member(s) of the other Group, if so assignable, or appropriately duplicated, novated or amended prior to, on or after the Effective Time, such that SLM BankCo and Navient or the members of its respective Group shall, as of the Effective Time, be entitled to the rights and benefits, and shall

assume the related portion of any Liabilities, that inured to its respective businesses immediately prior to the Effective Time (any contract, agreement, arrangement, commitment or understanding referred to in clause (i) or (ii) above, a “Shared Contract”).

(b) Notwithstanding the foregoing, (1) in no event shall any member of either Group be required to assign (or amend) any Shared Contract in its entirety or to assign a portion of any contract, agreement, arrangement, commitment or understanding which is not assignable (or cannot be amended) by its terms (including any terms imposing consents or conditions on an assignment where such consents or conditions have not been obtained or fulfilled) and (2) if any contract, agreement, arrangement, commitment or understanding cannot be so partially assigned by its terms or otherwise, or cannot be duplicated, novated or amended or if such assignment or amendment would impair the benefit the parties thereto derive therefrom (each, a “Non-assignable Contract”), then, each of Navient and SLM BankCo shall, and shall cause their respective Subsidiaries to, take such other reasonable and permissible actions (including by providing prompt notice to SLM BankCo or Navient, as the case may be, with respect to any relevant claim of Liability or other relevant matters arising in connection with a Non-assignable Contract so as to allow SLM BankCo or Navient or other members of its respective Group the ability to exercise any applicable rights thereunder) to cause the appropriate member of the Navient Group or the SLM BankCo Group, as the case may be, to receive the rights and benefits of that portion of each Non-assignable Contract that relates to the Pre-Separation Education Loan Management Business or the Pre-Separation Consumer Banking Business, as the case may be (in each case, to the extent so related), as if such Non-assignable Contract had been assigned to Navient or SLM BankCo or a member of its Group or duplicated, novated or amended, as the case may be, pursuant to this Section 2.5, and to bear the burden of the corresponding Liabilities (including any Liabilities that may arise by reason of such arrangement), as if such Liabilities had been assumed by a member of the applicable Group pursuant to this Section 2.5 as of the Effective Time, which shall be considered such Group’s Liabilities for purposes of Sections 4.2 and 4.3.

(c) Nothing in this Section 2.5 shall require any member of any Group to make any material payment (except to the extent advanced, assumed or agreed in advance to be reimbursed by any member of the other Group), incur any material obligation or grant any material concession for the benefit of any member of the other Group in order to effect any transaction contemplated by this Section 2.5.

## 2.6 Approvals and Notifications.

(a) *Approvals and Notifications for Navient Transfers.* To the extent that the transfer or assignment of any Navient Asset, the assignment and assumption of any Navient Liability, the Separation or the Distribution requires any Approvals or Notifications, the Parties shall use their commercially reasonable efforts to obtain or



make such Approvals or Notifications prior to the Effective Time or as soon as reasonably practicable thereafter; provided, however, that, except to the extent expressly provided in this Agreement or any of the Ancillary Agreements or as otherwise agreed between SLM BankCo and Navient, neither SLM BankCo nor Navient (nor any other member of its respective Group) shall be obligated to pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person in order to obtain or make such Approvals or Notifications.

(b) *Delayed Navient Transfers.* If and to the extent that the valid, complete and perfected transfer or assignment to the Navient Group of any Navient Asset or assignment to or assumption by the Navient Group of any Navient Liability would be a violation of applicable Law or require any Approvals or Notifications in connection with the Separation or the Distribution that have not been obtained or made by the Effective Time, then, unless the Parties mutually shall otherwise determine, the transfer or assignment to the Navient Group of such Navient Assets or the assignment to and assumption by the Navient Group of such Navient Liabilities, as the case may be, shall be automatically deemed deferred and any such purported transfer, assignment or assumption shall be null and void until such time as all legal impediments are removed or such Approvals or Notifications have been obtained or made. Notwithstanding the foregoing, any such Navient Assets or Navient Liabilities shall continue to constitute Navient Assets and Navient Liabilities for all other purposes of this Agreement.

(c) *Treatment of Delayed Navient Assets and Delayed Navient Liabilities.* If any transfer or assignment of any Navient Asset or any assumption of any Navient Liability intended to be transferred, assigned or assumed hereunder, as the case may be, is not consummated on or prior to the Effective Time, whether as a result of the provisions of Section 2.6(b) or for any other reason (any such Navient Asset, a “Delayed Navient Asset” and any such Navient Liability, a “Delayed Navient Liability”), then, insofar as reasonably possible and subject to applicable Law (including banking regulations and the advice of the SLM BankCo Group’s counsel in respect thereof), the member of the SLM BankCo Group retaining such Delayed Navient Asset or such Delayed Navient Liability, as the case may be, shall thereafter hold such Delayed Navient Asset or Delayed Navient Liability in trust for the use and benefit of the member of the Navient Group to whom such Delayed Navient Asset is to be transferred or assigned, or which is to assume such Delayed Navient Liability (at the expense of such member of the Navient Group). In addition, the member of the SLM BankCo Group retaining such Delayed Navient Asset or such Delayed Navient Liability shall, insofar as reasonably possible and to the extent permitted by applicable Law (including banking regulations and the advice of the SLM BankCo Group’s counsel in respect thereof), treat such Delayed Navient Asset or Delayed Navient Liability as it did prior to the Effective Time in the ordinary course of business in accordance with past practice and take such other actions as may be reasonably requested by the member of the Navient Group to whom such Delayed Navient Asset is to be transferred or assigned, or

which will assume such Delayed Navient Liability, as the case may be, in order to place such member of the Navient Group in a substantially similar position as if such Delayed Navient Asset or Delayed Navient Liability had been transferred, assigned or assumed as contemplated hereby and so that all the benefits and burdens of ownership relating to such Delayed Navient Asset or Delayed Navient Liability, as the case may be, including use, risk of loss, potential for gain, profit and dominion, control and command over such Delayed Navient Asset or Delayed Navient Liability, as the case may be, and all costs and expenses related thereto, shall inure from and after the Effective Time to the Navient Group. Each of SLM BankCo and Navient shall, and shall cause the members of its Group to, (i) treat for all Tax purposes the Delayed Navient Assets and the Delayed Navient Liabilities as Assets owned by, and/or Liabilities of, as applicable, Navient, or its Subsidiaries, as applicable, not later than the Effective Time, and (ii) neither report nor take any Tax position (on a Tax Return or otherwise) inconsistent with such treatment (unless required by applicable Law).

(d) *Transfer of Delayed Navient Assets and Delayed Navient Liabilities.* If and when the Approvals or Notifications, the absence of which caused the deferral of the transfer or assignment of any Delayed Navient Asset or the deferral of the assignment and assumption of any Delayed Navient Liability pursuant to Section 2.6(b), are obtained or made, and, if and when any other legal impediments for the transfer or assignment of any Delayed Navient Asset or the assignment and assumption of any Delayed Navient Liability have been removed, the transfer or assignment of the applicable Delayed Navient Asset or the assignment and assumption of the applicable Delayed Navient Liability, as the case may be, shall be effected in accordance with the terms of this Agreement or any applicable Ancillary Agreement.

(e) *Costs for Delayed Navient Assets and Delayed Navient Liabilities.* No member of the SLM BankCo Group retaining a Delayed Navient Asset or Delayed Navient Liability due to the deferral of the transfer or assignment of such Delayed Navient Asset or the deferral of the assignment and assumption of such Delayed Navient Liability, as the case may be, shall be obligated, in connection with the foregoing, to expend any money unless the necessary funds are advanced (or otherwise made available) by Navient or another member of the Navient Group, other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be promptly reimbursed by Navient or the member of the Navient Group entitled to such Delayed Navient Asset or Delayed Navient Liability.

(f) *Approvals and Notifications for SLM BankCo Transfers.* To the extent that the transfer or assignment of any SLM BankCo Asset or the assignment and assumption of any SLM BankCo Liability requires any Approvals or Notifications, the Parties shall use their commercially reasonable efforts to obtain or make such Approvals or Notifications prior to the Effective Time or as soon as reasonably practicable thereafter; provided, however, that, except to the extent expressly provided in this Agreement or in any Ancillary Agreement or as otherwise agreed between SLM BankCo

and Navient, neither SLM BankCo nor Navient nor any member of their respective Groups shall be obligated to contribute capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any Person in order to obtain or make such Approvals or Notifications.

(g) *Delayed SLM BankCo Transfers.* If and to the extent that the valid, complete and perfected transfer or assignment to the SLM BankCo Group of any SLM BankCo Asset or assignment to and assumption by the SLM BankCo Group of any SLM BankCo Liability would be a violation of applicable Law or require any Approval or Notification that has not been obtained or made by the Effective Time, then, unless the parties hereto mutually shall otherwise determine, the transfer or assignment to the SLM BankCo Group of such SLM BankCo Assets or the assignment to and assumption by the SLM BankCo Group of such SLM BankCo Liabilities, as the case may be, shall be automatically deemed deferred and any such purported transfer, assignment or assumption shall be null and void until such time as all legal impediments are removed or such Approval or Notification has been obtained or made. Notwithstanding the foregoing, any such SLM BankCo Assets or SLM BankCo Liabilities shall continue to constitute SLM BankCo Assets and SLM BankCo Liabilities for all other purposes of this Agreement.

(h) *Treatment of Delayed SLM BankCo Assets and Delayed SLM BankCo Liabilities.* If any transfer or assignment of any SLM BankCo Asset or any assignment to and assumption of any SLM BankCo Liability intended to be transferred, assigned or assumed hereunder, as the case may be, is not consummated on or prior to the Effective Time whether as a result of the provisions of Section 2.6(g) or for any other reason (any such SLM BankCo Asset, a “Delayed SLM BankCo Asset” and any such SLM BankCo Liability, a “Delayed SLM BankCo Liability”), then, insofar as reasonably possible, the member of the Navient SLM BankCo Group to which such Delayed SLM BankCo Asset is to be transferred or assigned, or which is to assume such Delayed SLM BankCo Liability, as the case may be, and subject to applicable Law (including banking regulations and the advice of the SLM BankCo Group’s counsel in respect thereof), the member of the Navient Group retaining such Delayed SLM BankCo Asset or such Delayed SLM BankCo Liability, as the case may be, shall thereafter hold such Delayed SLM BankCo Asset or Delayed SLM BankCo Liability in trust for the use and benefit of the member of the SLM BankCo Group to whom such Delayed SLM BankCo Asset is to be transferred or assigned, or which is to assume such Delayed SLM BankCo Liability (at the expense of such member of the SLM BankCo Group). In addition, the member of the Navient Group retaining such Delayed SLM BankCo Asset or such Delayed SLM BankCo Liability shall, insofar as reasonably possible and to the extent permitted by applicable Law, treat such Delayed SLM BankCo Asset or Delayed SLM BankCo Liability as it did prior to the Effective Time in the ordinary course of business in accordance with past practice and take such other actions as may be reasonably requested by the member of the SLM Group to whom such Delayed SLM

BankCo Asset is to be transferred or assigned, or which will assume such Delayed SLM BankCo Liability, as the case may be, in order to place such member of the SLM BankCo Group in a substantially similar position as if such Delayed SLM BankCo Asset or Delayed SLM BankCo Liability had been transferred, assigned or assumed as contemplated hereby and so that all the benefits and burdens of ownership relating to such Delayed SLM BankCo Asset or Delayed SLM BankCo Liability, as the case may be, including use, risk of loss, potential for gain, profits and dominion, control and command over such Delayed SLM BankCo Asset or Delayed SLM BankCo Liability, as the case may be, and all costs and expenses related thereto, shall inure from and after the Effective Time to the SLM BankCo Group. Each of SLM BankCo and Navient shall, and shall cause the members of its Group to, (i) treat for all Tax purposes the Delayed SLM BankCo Assets and the Delayed SLM BankCo Liabilities as Assets owned by, and/or Liabilities of, as applicable, SLM BankCo, or its Subsidiaries, as applicable, not later than the Effective Time, and (ii) neither report nor take any Tax position (on a Tax Return or otherwise) inconsistent with such treatment (unless required by applicable Law).

(i) *Transfer of Delayed SLM BankCo Assets and Delayed SLM BankCo Liabilities.* If and when the Approvals or Notifications, the absence of which caused the deferral of the transfer or assignment of any Delayed SLM BankCo Asset or the deferral of the assignment and assumption of any Delayed SLM BankCo Liability, are obtained or made, and, if and when any other legal impediments for the transfer or assignment of any Delayed SLM BankCo Asset or the assignment and assumption of any Delayed SLM BankCo Liability have been removed, the transfer or assignment of the applicable Delayed SLM BankCo Asset or the assignment and assumption of the applicable Delayed SLM BankCo Liability, as the case may be, shall be effected in accordance with the terms of this Agreement and/or any applicable Ancillary Agreement.

(j) *Costs for Delayed SLM BankCo Assets and Delayed SLM BankCo Liabilities.* Any member of the Navient Group retaining a Delayed SLM BankCo Asset or Delayed SLM BankCo Liability due to the deferral of the transfer or assignment of such Delayed SLM BankCo Asset or the deferral of the assignment and assumption of such Delayed SLM BankCo Liability, as the case may be, shall not be obligated, in connection with the foregoing, to expend any money unless the necessary funds are advanced (or otherwise made available) by a member of the SLM BankCo Group, other than reasonable out-of-pocket expenses, attorneys' fees and recording or similar fees, all of which shall be promptly reimbursed by a member of the SLM BankCo Group.

Misallocations; Waiver of Bulk Sales Laws.

(k) *Misallocations.* In the event that at any time or from time to time (whether prior to, at or after the Effective Time), one Party hereto (or any member of such Party's respective Group) shall receive or otherwise possess any Asset that is

allocated to the other Party (or any member of such Party's Group) pursuant to this Agreement or any Ancillary Agreement, such Party shall promptly transfer, or cause to be transferred, such Asset to the Party so entitled thereto (or to a member of such Party's Group), and such Party (or member of its Group) shall accept such Asset. Prior to any such transfer, the Party (or member of its Group) receiving or possessing such Asset shall hold such Asset in trust for such other Party (or member of its Group). In the event that at any time or from time to time (whether prior to, at or after the Effective Time), one Party hereto (or any member of its Group) shall receive or otherwise assume any Liability that is allocated to the other Party (or a member of its Group) pursuant to this Agreement or any Ancillary Agreement, such Party (or member of its Group) shall promptly transfer, or cause to be transferred, such Liability to the other Party (or member of its Group) to which such Liability is allocated, and such Party (or member of its Group) shall accept, assume and agree to faithfully and timely perform such Liability in accordance with its terms.

(l) *Waiver of Bulk-Sale and Bulk-Transfer Laws.* Navient hereby waives compliance by each and every member of the SLM BankCo Group with the requirements and provisions of any "bulk-sale" or "bulk-transfer" Laws of any jurisdiction that may otherwise be applicable with respect to the transfer of any or all of the Navient Assets to the members of the Navient Group. SLM BankCo hereby waives compliance by each and every member of the Navient Group with the requirements and provisions of any "bulk-sale" or "bulk-transfer" Laws of any jurisdiction that may otherwise be applicable with respect to the transfer of any or all of the SLM BankCo Assets to the members of the SLM BankCo Group.

## 2.7 Novation of Navient Liabilities.

(a) Each of SLM BankCo and Navient, at the request of the other, shall use its commercially reasonable efforts to obtain, or to cause to be obtained, as soon as reasonably practicable, any consent, substitution, approval or amendment required to novate or assign to Navient or one or more other members of the Navient Group designated by Navient all Navient Liabilities (including Navient Contracts) and obtain in writing the unconditional release of each member of the SLM BankCo Group that is a party to any such Navient Liabilities, so that, in any such case, the members of the Navient Group shall be solely responsible for such Navient Liabilities; provided, however, that, except as otherwise expressly provided in this Agreement or any of the Ancillary Agreements, neither SLM BankCo nor Navient shall be obligated to contribute any capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any third Person from whom any such consent, substitution, approval, amendment or release is requested.

(b) If SLM BankCo or Navient is unable to obtain, or to cause to be obtained, any such required consent, substitution, approval, amendment or release and

the applicable member of the SLM BankCo Group continues to be bound by a Navient Liability (each, an “Unreleased Navient Liability”), Navient shall, to the extent not prohibited by Law, as indemnitor, guarantor, agent or subcontractor for such member of the SLM BankCo Group, as the case may be, (i) pay, perform and discharge fully all the obligations or other Liabilities of such member of the SLM BankCo Group that constitute Unreleased Navient Liabilities from and after the Effective Time and (ii) use its commercially reasonable efforts to effect such payment, performance or discharge prior to any demand for such payment, performance or discharge is permitted to be made by the obligee thereunder on any member of the SLM BankCo Group. If and when any such consent, substitution, approval, amendment or release shall be obtained or the Unreleased Navient Liabilities shall otherwise become assignable or able to be novated, SLM BankCo shall promptly assign, or cause to be assigned, and Navient or the applicable Navient Group member shall assume, such Unreleased Navient Liabilities without exchange of further consideration.

#### 2.8 Novation of SLM BankCo Liabilities.

(a) Each of SLM BankCo and Navient, at the request of the other, shall use its commercially reasonable efforts to obtain, or to cause to be obtained, as soon as reasonably practicable, any consent, substitution, approval or amendment required to novate or assign to SLM BankCo or one or more other members of the SLM BankCo Group designated by SLM BankCo all SLM BankCo Liabilities and obtain in writing the unconditional release of each member of the Navient Group that is a party to any such arrangements, so that, in any such case, the members of the SLM BankCo Group shall be solely responsible for such SLM BankCo Liabilities; provided, however, that, except as otherwise expressly provided in this Agreement or any of the Ancillary Agreements, neither SLM BankCo nor Navient shall be obligated to contribute any capital or pay any consideration in any form (including providing any letter of credit, guaranty or other financial accommodation) to any third Person from whom any such consent, substitution, approval, amendment or release is requested.

(b) If SLM BankCo or Navient is unable to obtain, or to cause to be obtained, any such required consent, substitution, approval, amendment or release and the applicable member of the Navient Group continues to be bound by such SLM BankCo Liability (each, an “Unreleased SLM BankCo Liability”), SLM BankCo shall, to the extent not prohibited by Law, as indemnitor, guarantor, agent or subcontractor for such member of the Navient Group, as the case may be, (i) pay, perform and discharge fully all the obligations or other Liabilities of such member of the Navient Group that constitute Unreleased SLM BankCo Liabilities from and after the Effective Time and (ii) use its commercially reasonable efforts to effect such payment, performance or discharge prior to any demand for such payment, performance or discharge is permitted to be made by the obligee thereunder on any member of the Navient Group. If and when any such consent, substitution, approval, amendment or release shall be obtained or the Unreleased SLM BankCo Liabilities shall otherwise become assignable or able to be

novated, Navient shall promptly assign, or cause to be assigned, and SLM BankCo or the applicable SLM BankCo Group member shall assume, such Unreleased SLM BankCo Liabilities without exchange of further consideration.

## 2.9 Release Under Certain Agreements.

(a) Except as set forth in Section 2.10(b), in furtherance of the releases and other provisions of Section 4.1, Navient and each member of the Navient Group, on the one hand, and SLM BankCo and each member of the SLM BankCo Group, on the other hand, hereby agree with respect to any and all agreements, arrangements, commitments or understandings, whether or not in writing, including each of the agreements set forth on Schedule 2.10(a), between or among Navient and/or any member of the Navient Group, on the one hand, and SLM BankCo and/or any member of the SLM BankCo Group, on the other hand, effective as of the Effective Time, each member of the SLM BankCo Group and each member of the Navient group is hereby released from all liabilities, obligations, rights and benefits accruing under such agreements from and after the Effective Time. No such released agreement, arrangement, commitment or understanding (including any provision thereof which purports to survive release or termination) shall be of any further force or effect as against the released Party or the other members of its Group as to any period after the Effective Time. At or prior to the Effective Time, each of Navient and SLM BankCo shall deliver to the other Party an agreement executed by each member of such Party's Group evidencing such releases. Each Party shall, at the reasonable request of the other Party, take, or cause to be taken, such further actions as may be necessary to effect the foregoing.

(b) The provisions of Section 2.10(a) shall not apply to any of the following agreements, arrangements, commitments or understandings (or to any of the provisions thereof): (i) this Agreement and the Ancillary Agreements (and each other agreement or instrument expressly contemplated by this Agreement or any Ancillary Agreement to be entered into by any of the Parties or any of the members of their respective Groups which is to continue after the Effective Time); (ii) any agreements, arrangements, commitments or understandings listed or described on Schedule 2.10(b); (iii) any agreements, arrangements, commitments or understandings to which any Person other than the Parties hereto and their respective Affiliates is a party; (iv) any intercompany accounts payable or accounts receivable accrued as of the Effective Time that are reflected in the books and records of the Parties or otherwise documented in writing in accordance with past practices, which shall be settled in the manner contemplated by Section 2.10(c); (v) any agreements, arrangements, commitments or understandings to which any non-wholly owned Subsidiary of SLM BankCo or Navient, as the case may be, is a party (it being understood that directors' qualifying shares or similar interests will be disregarded for purposes of determining whether a Subsidiary is wholly owned); and (vi) any Shared Contracts.

(c) All outstanding intercompany accounts receivable and accounts payable between any member of the SLM BankCo Group, on the one hand, and any member of the Navient Group, on the other hand, shall, prior to the Effective Time, be repaid, settled or otherwise eliminated by means of cash payments, a dividend, capital contribution, a combination of the foregoing, or otherwise as determined by Existing SLM in its sole and absolute discretion; provided, however, that any intercompany accounts payable or accounts receivable accrued as of the Effective Time that has not been invoiced prior to the Effective Time shall be invoiced and paid in accordance with past practices and provided, further, that no indebtedness (i) between SMI and its Subsidiaries, on the one hand, and Private ServiceCo, on the other hand, and (ii) between a member of the SLM BankCo Group, on the one hand, and a member of the Navient Group, on the other hand, will be settled or cancelled in connection with the Separation and Distribution other than the settlement of intercompany loans and intercompany open account balances attributable to the normal business operations of SMI or any member of the SLM BankCo Group prior to the Effective Time.

#### 2.10 Bank Accounts; Cash Balances.

(a) SLM BankCo and Navient each agrees to take, or cause the respective members of their respective Groups to take, as of the Effective Time (or such earlier time as SLM BankCo and Navient may agree), all actions necessary to amend all contracts or agreements governing each bank and brokerage account owned by Navient or any other member of the Navient Group (collectively, the "Navient Accounts") and all contracts or agreements governing each bank or brokerage account owned by SLM BankCo or any other member of the SLM BankCo Group (collectively, the "SLM BankCo Accounts") such that each such Navient Account and SLM BankCo Account, if currently linked (whether by automatic withdrawal, automatic deposit or any other authorization to transfer funds from or to, hereinafter "linked") to any SLM BankCo Account or Navient Account, respectively, is delinked from such SLM BankCo Account or Navient Account, respectively.

(b) It is intended that following consummation of the actions contemplated by Section 2.11(a) there will be in place a centralized cash management process pursuant to which the Navient Accounts will be managed centrally and funds collected will be transferred into one or more centralized accounts maintained by Navient.

(c) It is intended that following consummation of the actions contemplated by Section 2.11(a) there will continue to be in place a centralized cash management process pursuant to which the SLM BankCo Accounts will be managed centrally and funds collected will be transferred into one or more centralized accounts maintained by SLM BankCo.



(d) With respect to any outstanding checks issued or payments initiated by SLM BankCo, Navient, or any of their respective Subsidiaries prior to the Effective Time, such outstanding checks and payments shall be honored following the Effective Time by the Person or Group owning the account on which the check is drawn or from which the payment was initiated, respectively.

(e) As between SLM BankCo and Navient (and the members of their respective Groups) all payments made to and reimbursements received by either Party (or member of its Group) after the Effective Time that relate to a business, Asset or Liability of the other Party (or member of its Group) shall be held by such Party (or member of its Group) in trust for the use and benefit of the Party (or member of its Group) entitled thereto and, promptly following receipt by such Party (or member of its Group) of any such payment or reimbursement, such Party shall pay over, or shall cause the applicable member of its Group to pay over, to the other Party (or the member of its Group) the amount of such payment or reimbursement without right of set-off.

2.11 Ancillary Agreements. Effective at or prior to the Effective Time, each of SLM BankCo and Navient (and the applicable members of their respective Groups) will execute and deliver each Ancillary Agreement to which it is a party.

2.12 Disclaimer of Representations and Warranties. EACH OF SLM BANKCO (ON BEHALF OF ITSELF AND EACH MEMBER OF THE SLM BANKCO GROUP) AND NAVIENT (ON BEHALF OF ITSELF AND EACH MEMBER OF THE NAVIENT GROUP) UNDERSTANDS AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY ANCILLARY AGREEMENT, NO PARTY TO THIS AGREEMENT, ANY ANCILLARY AGREEMENT OR ANY OTHER AGREEMENT OR DOCUMENT CONTEMPLATED BY THIS AGREEMENT IS REPRESENTING OR WARRANTING IN ANY WAY AS TO THE ASSETS, BUSINESSES OR LIABILITIES TRANSFERRED OR ASSUMED AS CONTEMPLATED HEREBY OR THEREBY, AS TO ANY CONSENTS OR APPROVALS REQUIRED IN CONNECTION THEREWITH, AS TO THE VALUE OR FREEDOM FROM ANY SECURITY INTERESTS OF, OR ANY OTHER MATTER CONCERNING, ANY ASSETS OF SUCH PARTY, OR AS TO THE ABSENCE OF ANY DEFENSES OR RIGHT OF SETOFF OR FREEDOM FROM COUNTERCLAIM WITH RESPECT TO ANY CLAIM OR OTHER ASSET, INCLUDING ANY ACCOUNTS RECEIVABLE, OF ANY PARTY, OR AS TO THE LEGAL SUFFICIENCY OF ANY ASSIGNMENT, DOCUMENT OR INSTRUMENT DELIVERED HEREUNDER TO CONVEY TITLE TO ANY ASSET OR THING OF VALUE UPON THE EXECUTION, DELIVERY AND FILING HEREOF OR THEREOF. EXCEPT AS MAY EXPRESSLY BE SET FORTH HEREIN OR IN ANY ANCILLARY AGREEMENT, ALL SUCH ASSETS ARE BEING TRANSFERRED ON AN "AS IS," "WHERE IS" BASIS (AND, IN THE CASE OF ANY REAL PROPERTY, BY MEANS OF A QUITCLAIM OR SIMILAR FORM OF DEED OR CONVEYANCE) AND THE RESPECTIVE TRANSFEREES SHALL BEAR THE ECONOMIC AND LEGAL RISKS THAT (I) ANY CONVEYANCE WILL PROVE TO BE INSUFFICIENT TO VEST IN THE TRANSFEREE GOOD AND MARKETABLE TITLE,

2.13 Intellectual Property.

(a) *License Grants*.

(i) *By Navient*. As of the Effective Time and to the extent not otherwise licensed by SMI to Private ServiceCo pursuant to Section 2.1(k), (iv), Navient and the other members of the Navient Group hereby grant to SLM BankCo and the other members of the SLM BankCo Group a non-exclusive, perpetual, royalty-free, transferable, assignable, sublicenseable, worldwide right and license to all (x) Other IP constituting Navient Intellectual Property, (y) Navient Software and (z) Navient Technology, in each case that is owned by Navient or the other members of the Navient Group and is used or held for use in the Pre-Separation Consumer Banking Business, including Intellectual Property, Software and Technology that are an integral part of the Private Loan Servicing Business Systems, but excluding Intellectual Property, Software and Technology that are an integral part of the Excluded Systems (the "Navient Licensed Materials"), and including, but not limited to the right to reproduce, use, develop, improve, perform, display, distribute, sell, offer to sell, nonexclusively license and sublicense, create derivative works from, and otherwise fully exploit without restriction, the Navient Licensed Materials. Further, as of the Effective Time, Navient and the other members of the Navient Group hereby grant to SLM BankCo and the other members of the SLM BankCo Group a non-exclusive, perpetual, royalty-free, non-transferable, non-assignable, non-sublicenseable, worldwide right and license to all Navient Licensed Systems, including the right to reproduce, use, develop, improve, perform, and create derivative works from such Navient Licensed Systems solely for SLM BankCo's and the other members of the SLM BankCo Group's internal business purposes. The Navient Licensed Materials and Navient Licensed Systems shall be provided on an "AS IS" basis and without warranty of any kind.

(ii) *By SLM BankCo*. As of the Effective Time, SLM BankCo and the other members of the SLM BankCo Group hereby grant to Navient and the other members of the Navient Group a non-exclusive, perpetual, royalty-free, transferable, assignable, sublicenseable, worldwide right and license to all SLM BankCo Licensed Systems, and including, but not limited to the right to reproduce, use, develop, improve, perform, display, distribute, sell, offer to sell, nonexclusively license and sublicense, create derivative works from, and otherwise fully exploit without restriction, the SLM BankCo Licensed Systems. Further, SLM BankCo and the other members of the SLM BankCo Group hereby

grant to Navient and the other members of the Navient Group a non-exclusive, perpetual, royalty-free, transferable, assignable, sublicenseable, worldwide right and license to all enhancements of, modifications to, and derivative works of the SLM BankCo Licensed Systems developed by SLM BankCo and the other members of the SLM BankCo Group as of the end of the Preferred Stock Period. For the avoidance of doubt, neither SLM BankCo nor any other member of the SLM BankCo Group shall have any obligation to license, nor shall Navient nor any member of the Navient Group have any rights to, enhancements of, modifications to, or derivative works of the SLM BankCo Licensed Systems made by SLM BankCo or any other member of the SLM BankCo Group as of any date later than the end of the Preferred Stock Period. The SLM BankCo Licensed Systems (including any enhancements, modifications or derivative works) shall be provided on an “AS IS” basis and without warranty of any kind.

(iii) *College Planning Tools*. As of the Effective Time, SLM BankCo and the other members of the SLM BankCo Group hereby grant to Navient and the other members of the Navient Group a non-exclusive, perpetual, royalty-free, non-transferable, non-assignable, non-sublicenseable, worldwide right and license to the College Planning Tools, including the right to reproduce, use, develop, improve, perform, and create derivative works from such College Planning Tools solely for Navient’s and the other members of the Navient Group’s internal business purposes; provided, that Navient may (x) sell, assign or transfer the College Planning Tools pursuant to a transaction contemplated by Section 5.4(g)(i)(D); (y) license the College Planning Tools to a Governmental Authority (other than a private or state institution of higher learning (*e.g.*, school, college, university)) pursuant to an agreement with such Governmental Authority if the grant of such license is required by applicable Law or published procurement policy of such Governmental Authority, and (z) grant a perpetual, nontransferable, nonassignable, nonsublicenseable license to the College Planning Tools in connection with the sale or disposition of all or substantially all of the assets comprising a line of business then-using the College Planning Tools (or an entity comprising such line of business) to the acquiror of such entity or assets comprising such line of business solely for use by such acquiror to perform the applicable line of business. For the avoidance of doubt, neither SLM BankCo nor any other member of the SLM BankCo Group shall have any obligation to license, nor shall Navient nor any member of the Navient Group have any rights to, enhancements of, modifications to, or derivative works of the College Planning Tools made by SLM BankCo or any other member of the SLM BankCo Group as of any date later than the Effective Time. The College Planning Tools shall be provided on an “AS IS” basis and without warranty of any kind.

(b) *Covenant to Enforce.*

(i) If either of SLM BankCo or Navient becomes aware of potential infringement by a third party of the ATLAS Software (including Joint Materials developed pursuant to Section 5.9(b)) or the SLM BankCo Licensed Systems, then that Party will notify the other Party as soon as possible, and the Parties agree to discuss and determine how best to secure the cessation of such infringement. If the Parties agree to begin an action for infringement against a third party, then prior to asserting such action, the Parties shall negotiate in good faith to determine the allocation of the expenses and disbursements paid in connection with such action and the allocation of all monies actually received as a result of the infringement action. If the Parties cannot agree to begin such an action or cannot agree on the allocation of expenses and disbursements, then either Party will have the right to prosecute the infringement action, and that Party will bear all the expense and be entitled to retain all monies received from such action. In such a case, the non-enforcing Party shall not be obligated to provide any assistance to the enforcing Party in connection with such lawsuit, and in the event that the non-enforcing Party provides prior written consent to being named as a party to the lawsuit in order for the enforcing Party to sustain jurisdiction or standing of the action, the enforcing Party shall solely bear the expenses of the non-enforcing Party's participation. If during a joint infringement action either Party decides to discontinue its participation in the action, then if the other Party wishes to continue it shall pay all future expenses associated with such action and will retain all monies or consideration from such action after first reimbursing any action-related expenses incurred by the discontinuing Party at a rate equal to the percentage of total expenses contributed by the discontinuing Party up to the date of discontinuance. Neither SLM BankCo nor any of its Affiliates will join or attempt to join Navient or any Navient Affiliate, and Navient and its Affiliates will not be joined, to any litigation alleging infringement by a third party of the ATLAS Software (including Joint Materials) unless Navient has provided prior written consent. Neither Navient nor any of its Affiliates will join or attempt to join SLM BankCo or any SLM BankCo Affiliate, and SLM BankCo and its Affiliates will not be joined, to any litigation alleging infringement by a third party of the ATLAS Software (including Joint Materials), unless SLM BankCo has provided prior written consent.

(ii) If at any time, SLM BankCo (on its behalf or on the behalf of any member of the SLM BankCo Group) brings to the attention of Navient any unlicensed infringement of the Navient Licensed Materials or the Navient Licensed Systems (as they exist as of the Effective Time and excluding any modifications or enhancements made by SLM BankCo or the members of the SLM BankCo Group) that is affecting or could reasonably be expected to affect SLM BankCo's or the other members of the SLM BankCo Group's rights hereunder, including SLM BankCo and the other members of the SLM BankCo Group's rights to use the Navient Licensed Materials or the Navient Licensed

Systems, then Navient will (i) use commercially reasonable efforts to secure cessation of the infringement and (ii) if commercially reasonable under the circumstances (taking into consideration, among other things, costs and expected financial outcome), bring and diligently prosecute a lawsuit against the infringer. Navient in its own name will bring and prosecute such suit. SLM BankCo will join in such suit with Navient to the extent required by Law, but may otherwise join in such suit at its option. Further, if at any time, Navient (on its behalf or on the behalf of any member of the Navient Group) brings to the attention of SLM BankCo any unlicensed infringement of the SLM BankCo Licensed Systems (as they exist as of the Effective Time and excluding any modifications or enhancements made by Navient or the other members of the Navient Group) that is affecting or could reasonably be expected to affect Navient's or the other members of the Navient Group's rights hereunder, including Navient's and the other members of the Navient Group's rights to use the SLM BankCo Licensed Systems, then SLM BankCo will (i) use commercially reasonable efforts to secure cessation of the infringement and (ii) if commercially reasonable under the circumstances (taking into consideration, among other things, costs and expected financial outcome), bring and diligently prosecute a lawsuit against the infringer. SLM BankCo in its own name will bring and prosecute such suit. Navient will join in such suit with SLM BankCo to the extent required by Law, but may otherwise join in such suit at its option.

(iii) If the Parties join in any suit covered by paragraph (ii), the Parties shall jointly control such suit and cooperate with each other with respect to such suit. If either Navient or SLM BankCo fails to jointly diligently prosecute any such suit, the other Party may solely prosecute such suit and the Party failing to jointly bring or prosecute shall use commercially reasonable efforts to cooperate with the other Party if it determines to proceed with such suit.

(iv) Navient and SLM BankCo will be entitled to any separate recoveries from such suit as may be awarded to each of them, respectively.

(v) If Navient, as licensor of the Navient Licensed Materials and the Navient Licensed Systems, or SLM BankCo, as licensor of the SLM BankCo Licensed Systems (each, a "Licensor") fails to (x) secure cessation of the infringement or bring and diligently prosecute suit against the infringer within 60 days after the receipt by Navient, as licensee of the SLM BankCo Licensed Systems, or SLM BankCo, as licensee of the Navient Licensed Materials and the Navient Licensed Systems (each, a "Licensee"), of the notice by the Licensor pursuant to paragraph (ii) above, or (y) diligently prosecute any suit joined by the Licensee pursuant to paragraph (ii) above, then, subject to paragraph (iii) above, the Licensee shall be entitled to bring and prosecute actions or claims against such infringer on behalf of the Licensor and its Affiliates.

(vi) Each Party will bear its own costs and expenses (including legal fees and expenses) incurred in connection with any suits brought pursuant to this paragraph (b), including suits brought by either Party pursuant to subparagraphs (iii) and (v) above.

(c) *Covenants Not to Sue.*

(i) Navient covenants and agrees on behalf of itself and the other members of the Navient Group to take no action, directly or indirectly, to file or to cause to be filed any suit or institute or assist in instituting any proceeding in any court or tribunal, wherever located, against SLM BankCo or any other member of the SLM BankCo Group for any claims or causes of action arising from or relating to the infringement of Navient Intellectual Property by the modifications, enhancements or derivative works of the ATLAS Software (including Joint Materials), the SMI Licensed Materials, Navient Licensed Materials or Navient Licensed Systems created in compliance with this Agreement, any Ancillary Agreement and Intellectual Property associated therewith, which Navient and the other members of the Navient Group has, may have or hereafter might have, for or because of any matter or thing done, omitted or suffered to be done from and after the Effective Time.

(ii) SLM BankCo covenants and agrees on behalf of itself and the other members of the SLM BankCo Group to take no action, directly or indirectly, to file or to cause to be filed any suit or institute or assist in instituting any proceeding in any court or tribunal, wherever located, against Navient or any other member of the Navient Group for any claims or causes of action arising from or relating to the infringement of SLM BankCo Intellectual Property (excluding the Private Loan Servicing Registrable IP) by the modifications, enhancements or derivative works of the ATLAS Software (including Joint Materials) or the SLM BankCo Licensed Systems created in compliance with this Agreement, any Ancillary Agreement and Intellectual Property associated therewith, which SLM BankCo and the other members of the SLM BankCo Group has, may have or hereafter might have, for or because of any matter or thing done, omitted or suffered to be done from and after the Effective Time.

(d) *Names and Marks.*

(i) Except as provided in, contemplated by or required in connection with the provision of services pursuant to any Ancillary Agreement or as provided in this Section 2.14(d), as of the Effective Time (A) Navient shall not have any right to use or display the SLM BankCo Names or the SLM BankCo Marks in any form and (B) SLM BankCo shall not have the right to use or display the Navient Names or the Navient Marks in any form; provided, however, that (x) to the extent such SLM BankCo Names and SLM BankCo Marks were used or

displayed by any member of the Navient Group prior to the Effective Time, the members of the Navient Group shall, as soon as reasonably practicable, but in any event within one year after the Effective Time, at their expense, cease all use or display of all SLM BankCo Names and SLM BankCo Marks and shall remove any and all references to the SLM BankCo Names and SLM BankCo Marks on Assets owned or held by them (including on business cards, stationary, commercial signs and similar identifiers) that refer or pertain specifically to the SLM BankCo Names and SLM BankCo Marks, and (y) that Navient shall have the right to continue to use the SLM BankCo Names and SLM BankCo Marks in perpetuity (i) to the extent they are incorporated into historical memorabilia, awards, customer benefit programs, and the like prior to the Effective Time and (ii) in new material that refers to the SLM BankCo Names and SLM BankCo Marks in the context of the loans made to any customer that carry such trademarked/service-marked benefit or name. In addition, each party shall have the right to use the others' respective Names and Marks in perpetuity to the extent they are incorporated into (i) materials that speak generally to the history of the respective companies or (ii) the source code or system code of Software used by Effective Time Sallie Mae and where such Names and Marks are not visible to customers or other third-party users of such Software. Each Party hereby grants to the other Party's Group, for a period starting at the Effective Time and ending on the 180th day following the Operational Servicing Date, a worldwide, non-exclusive, non-transferable, royalty-free license to use the SLM Name and SLM BankCo Marks or Navient Name and Navient Marks, as applicable, as and to the extent used by the licensee's respective business as of the Effective Time. Each Party shall use the names and marks of the other Party as allowed hereunder only in connection with goods or services that are of a level of quality at least equal to the quality of comparable goods or services marketed by that Party (or members of its respective Group) before the Effective Time.

(ii) Notwithstanding the foregoing, nothing contained in this Agreement will prevent any Party (or any member of its respective Group) from using the other's names or marks in documents intended to be filed with Governmental Authorities or real property registration offices, systems or databases (including MERS), in materials intended for distribution to such Party's stockholders or in any other communication (including correspondence) in any medium that describes the current or former relationship between the Parties (or members of their respective Groups).

(e) *Perfection of Intellectual Property in ATLAS Software; Enforcement of Contract Rights.* Following the Effective Time, Private ServiceCo shall have the right, but not an obligation, to file, prosecute, and maintain, any patent application and resulting patent in the ATLAS Software and any copyright registration for the ATLAS Software, in any jurisdiction, and SMI shall have no right and no

obligation to file, prosecute, or maintain such Registrable IP in the ATLAS Software, except as described below. Notwithstanding the foregoing, each Party agrees to execute all reasonably necessary documents, including declarations, powers of attorney, and relevant ownership documents associated with perfection of such Registrable IP in the ATLAS Software. The costs of such patent or copyright filing, prosecution, and maintenance, if any, shall be borne entirely by Private ServiceCo. In the event Private ServiceCo decides to abandon, or otherwise allow to lapse any such Registrable IP in the ATLAS Software, Private ServiceCo agrees to offer to assign to SMI such filing, prosecution, and maintenance rights, with no obligation, on any such Registrable IP in the ATLAS Software. Private ServiceCo shall provide notice to SMI of its intent to abandon, or to allow a patent or copyright property to lapse, at least thirty (30) days prior to an original Governmental Authority -imposed deadline, but shall have no obligation to notify SMI of an intent not to file a patent application or copyright registration on the ATLAS Software. Private ServiceCo shall notify SMI of the issuance of any patent or registration of any copyright filed on the ATLAS Software within thirty (30) business days from such issuance or registration. This notification requirement shall apply to patents issued and copyrights registered by any jurisdiction. All patents and patent applications filed on the ATLAS Software and copyright registrations filed for the ATLAS Software shall be owned jointly by Private ServiceCo and SMI, regardless of which party files, prosecutes, and maintains the patent or copyright. Private ServiceCo also agrees to provide reasonable cooperation to Navient in seeking to enforce rights that arise pursuant to the contract to acquire the underlying source code that formed the basis of the ATLAS Software and the contract to assist in the development of such code, to the extent reasonably necessary to permit Navient full use of such Software.

#### 2.14 Financial Information Certifications.

(a) If requested by SLM BankCo, and in order to assist or enable the principal executive officer or officers, principal financial officer or officers and controller or controllers of SLM BankCo to make the certifications required of them under Section 302 and Section 906 of the Sarbanes-Oxley Act of 2002 ("SOX Certifications"), Navient shall provide certification statement as to the Navient Group for the fiscal quarter during which the Distribution Date occurs to those certifying officers of SLM BankCo, which certifications shall be in substantially the same form as had been provided by officers of Existing SLM in SOX Certifications delivered prior to the Distribution Date (provided that such certifications shall be made by Navient rather than individual officers), or as otherwise agreed upon between the Parties. Such certification statements shall also reflect any changes from prior SOX Certifications necessitated by the transactions contemplated by this Agreement.

(b) If requested by Navient, and in order to enable the principal executive officer or officers, principal financial officer or officers and controller or controllers of Navient to make the SOX Certifications, SLM BankCo shall provide a certification



statements as to the SLM BankCo Group for the fiscal quarter during which the Distribution Date occurs to those certifying officers of Navient, which certifications shall be in substantially the same form as had been provided by officers of Subsidiaries of Existing SLM to support SOX Certifications delivered by officers of Existing SLM prior to the Distribution Date (provided that such certification shall be made by SLM BankCo rather than individual officers), or as otherwise agreed upon between the Parties. Such certification statements shall also reflect any changes necessitated by the transactions contemplated by this Agreement.

2.15 Misdirected Communications. If, on or after the Effective Time, any member of a Group receives any mail, courier package, facsimile transmission, invoice, purchase order, written service request or other written document that is intended for a member of the other Group or that, in the case of the SLM BankCo Group, relates to the Pre-Separation Education Loan Management Business or the Navient Business or, in the case of the Navient Group, relates to the Pre-Separation Consumer Banking Business or the SLM BankCo Business, such documents shall be forwarded to the other Group, no later than five Business Days after the date of receipt thereof, as follows: (a) if to the Navient Group, by email addressed to john.marvel@navient.com or delivery at the following address: John Marvel, Senior Director Procurement, 11100 USA Parkway, Fishers IN 46037 and (b) if to the SLM BankCo Group, by email addressed to karen.wire@salliemae.com or delivery at the following address: Karen Wire, Senior Director Vendor Management, 11100 USA Parkway, Fishers IN 46037.

2.16 Parent Guarantee. Prior to or as of the Effective Time, Navient shall sign a full and unconditional guarantee of all unsecured notes of Existing SLM Holdco issued under the Indentures and outstanding as of the Effective Time, and shall take such further action as may be necessary pursuant to Rule 12h-5 under the Exchange Act and Rule 3-10 of Regulation S-X to eliminate any requirement that Existing SLM Holdco, after the Effective Time, continue to file periodic reports under the Exchange Act.

### ARTICLE III THE DISTRIBUTION

#### 3.1 Sole and Absolute Discretion; Cooperation.

(a) The Sallie Mae Board shall, in its sole and absolute discretion, determine the timing of the Distribution and the conditions to the consummation of the Distribution. In addition, Existing SLM may, at any time and from time to time until the Effective Time, delay the timing of, or cancel, the Distribution. For the avoidance of doubt, nothing in this Agreement shall in any way limit the right of the Sallie Mae Board to terminate the Distribution or cancel this Agreement and the Ancillary Agreements prior to the Effective Time.

(b) Each of the Parties shall cooperate with the others to accomplish the Distribution and shall take any and all actions necessary or desirable to effect the Distribution, including in respect of the registration under the Exchange Act of shares of Navient Common Stock pursuant to the Form 10.

3.2 Actions Prior to the Distribution. Prior to the Effective Time and subject to the terms and conditions set forth herein, the Parties shall take, or cause to be taken, the following actions in connection with the Distribution:

(a) *Notice to NASDAQ*. Existing SLM shall, to the extent practicable, give the NASDAQ (i) not less than 15 days' advance notice of the Merger and (ii) not less than 10 days' advance notice of the Record Date in compliance with Rule 10b-17 under the Exchange Act.

(b) *Certificate of Incorporation and Bylaws*. Prior to the Effective Time, Existing SLM and Navient shall take all necessary actions so that, as of the Effective Time, the Navient Certificate of Incorporation and Navient Bylaws shall be the certificate of incorporation and bylaws of Navient.

(c) *Navient Directors and Officers*. Existing SLM and Navient shall take all necessary actions so that as of the Effective Time: (i) the directors and executive officers of Navient shall include those set forth in the Information Statement mailed to the Record Holders; and (ii) each individual referred to in clause (i) shall have resigned from his or her position, if any, as a member of the SLM BankCo Board and/or as an executive officer of SLM BankCo or the Sallie Mae Bank.

(d) *Exchange Listing*. Navient shall prepare and file, and shall use its reasonable best efforts to have approved, an application for the listing on the NASDAQ, subject to official notice of distribution, of the shares of Navient Common Stock to be distributed in the Distribution.

(e) *Securities Law Matters*. Navient shall file such amendments to the Form 10 or supplements to the Information Statement as may be necessary or advisable in order to cause the Form 10 to remain effective and the Information Statement to remain current in compliance with federal securities Laws. The Parties shall cooperate in preparing, filing with the SEC and causing to become effective registration statements or amendments thereof which are required to reflect the establishment of, or amendments to, any employee benefit and other plans necessary or advisable in connection with the transactions contemplated by this Agreement and the Ancillary Agreements (including the Employee Matters Agreement). Existing SLM and Navient will prepare, and Navient will, to the extent required under applicable Law, file with the SEC such documentation, including no-action letters, which Existing SLM may determine to be necessary or desirable to lawfully effectuate the Distribution, and Existing SLM and Navient shall each use its reasonable best efforts to obtain all

necessary approvals from the SEC with respect thereto as soon as practicable. The Parties shall take all such action, if any, as may be necessary or appropriate under the securities or blue sky laws of any State of the United States (and any comparable Laws under any foreign jurisdiction) in connection with the Distribution.

(f) *Mailing of Information Statement.* Existing SLM shall cause the Information Statement to be mailed to the Record Holders.

(g) *The Distribution Agent.* Existing SLM and SLM BankCo shall enter into a distribution agent agreement with the Agent or otherwise provide instructions to the Agent regarding the Distribution.

### 3.3 Conditions to the Distribution.

(a) The consummation of the Distribution will be subject to the satisfaction, or waiver by the Sallie Mae Board in its sole and absolute discretion, of the following conditions:

(i) The SEC declaring effective the Form 10, with no order suspending the effectiveness of the Form 10 in effect and no proceedings for such purposes pending before or threatened by the SEC.

(ii) The Information Statement and such other information concerning Navient, its business, operations and management, the Distribution and such other matters as Existing SLM shall determine, in its sole and absolute discretion and as may otherwise be required by Law, shall have been mailed to the Record Holders.

(iii) Existing SLM shall have received a private letter ruling from the IRS (the "IRS Ruling") to the effect that, among other things, (A) the Merger (together with the conversion of the shares of Existing SLM common and preferred stock into shares of SLM BankCo common and preferred stock) will qualify as a "reorganization" within the meaning of Section 368(a)(1)(F) of the Code, and will not be integrated with the rest of the Separation and Distribution and (B) the Distribution, together with the contribution described in Section 2.1(o), will qualify as a transaction that is a "reorganization" for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Code, and such IRS Ruling shall not have been revoked or modified in any material respect.

(iv) Existing SLM and SLM BankCo shall have received an opinion from Baker Botts L.L.P. to the effect that the Distribution, together with the contribution described in Section 2.1(o), shall qualify as a transaction that is described in Sections 355(a) and 368(a)(1)(D) of the Code.

(v) An independent appraisal firm acceptable to Existing SLM shall have delivered one or more opinions to the Existing SLM Board confirming the solvency and financial viability of Existing SLM and SLM BankCo before the consummation of the Distribution and each of SLM BankCo and Navient after consummation of the Distribution, and such opinions shall be acceptable to the Sallie Mae Board in its sole and absolute discretion and such opinions shall not have been withdrawn or rescinded.

(vi) The Separation shall have occurred as contemplated by Section 2.1.

(vii) The actions and filings necessary or appropriate under applicable U.S. federal, U.S. state or other securities Laws or blue sky Laws and the rules and regulations thereunder shall have been taken or made, and, where applicable, have become effective or been accepted.

(viii) Each of the Ancillary Agreements shall have been duly executed and delivered by the parties thereto.

(ix) No order, injunction or decree issued by any Governmental Authority of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Separation, the Distribution or any of the transactions related thereto shall be pending, threatened, issued or in effect.

(x) The approval for listing on the NASDAQ of the shares of Navient Common Stock to be delivered in the Distribution shall have been obtained, subject to official notice of distribution.

(xi) No other events or developments shall exist or shall have occurred that, in the judgment of the Sallie Mae Board, in its sole and absolute discretion, makes it inadvisable to effect the Separation, the Distribution or the transactions related thereto.

(b) The foregoing conditions are for the sole benefit of Existing SLM and, following the Merger Effective Time, Effective Time Sallie Mae, and shall not give rise to or create any duty on the part of the Sallie Mae Board to waive or not waive any of such conditions or in any way limit the Sallie Mae Board's right to terminate this Agreement as set forth in Article IX. If the Sallie Mae Board waives any condition set forth in Section 3.3(a), it shall promptly issue a press release disclosing such fact and file a Current Report on Form 8-K with the SEC describing such waiver.

### 3.4 The Distribution.

(a) Subject to Section 3.3, prior to the Effective Time, Navient will deliver to the Agent authorizations for such number of outstanding shares of Navient Common Stock as is necessary to effect the Distribution, and shall cause the transfer agent for the Existing SLM Common Stock to instruct the Agent to credit on the stock transfer records of the Agent, on the Distribution Date, for the benefit of each holder of SLM BankCo Common Stock on the Record Date, or its designated transferee or transferees, the appropriate number of shares of Navient Common Stock by way of direct registration in book-entry form. The Distribution shall be deemed effective at the Effective Time.

(b) Subject to Sections 3.3, each record holder of shares of Existing SLM Common Stock on the Record Date will be entitled to receive in the Distribution one share of Navient Common Stock for each whole share of Existing SLM Common Stock held by such record holder on the Record Date. For the avoidance of doubt, holders of shares of Existing SLM Preferred Stock shall not be entitled to receive any shares of capital stock of Navient in the Distribution.

## ARTICLE IV MUTUAL RELEASES; INDEMNIFICATION

### 4.1 Release of Pre-Distribution Claims.

(a) Except as provided in Sections 4.1(c) and 4.1(d) and any Ancillary Agreement, effective as of the Effective Time, Navient does hereby, for itself and each other member of the Navient Group, their respective successors and assigns, remise, release and forever discharge SLM BankCo and the other members of the SLM BankCo Group, their respective successors and assigns, and all Persons who at any time prior to the Effective Time have been shareholders, directors, officers, agents or employees of any member of the SLM BankCo Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all Liabilities whatsoever, whether at law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed at or before the Effective Time. Prior to or at the Effective Time, Navient shall deliver to SLM BankCo a release to the foregoing effect executed by each member of the Navient Group. For purposes of this Section 4.1(a), an Affiliate shall not include an entity in which Navient owns, directly or indirectly, less than 50% of the total combined equity interests.

(b) Except as provided in Sections 4.1(c) and 4.1(d) and any Ancillary Agreement, effective as of the Effective Time, SLM BankCo does hereby, for

itself and each other member of the SLM BankCo Group, their respective successors and assigns, remise, release and forever discharge Navient, the respective members of the Navient Group, their respective successors and assigns, and all Persons who at any time prior to the Effective Time have been shareholders, directors, officers, agents or employees of any member of the Navient Group (in each case, in their respective capacities as such), and their respective heirs, executors, administrators, successors and assigns, from any and all Liabilities whatsoever, whether at law or in equity (including any right of contribution), whether arising under any contract or agreement, by operation of law or otherwise, existing or arising from any acts or events occurring or failing to occur or alleged to have occurred or to have failed to occur or any conditions existing or alleged to have existed on or before the Effective Time. Prior to or at the Effective Time, SLM BankCo shall deliver to Navient a release to the foregoing effect executed by each member of the SLM BankCo Group. For purposes of this Section 4.1(b), an Affiliate shall not include an entity in which SLM BankCo owns, directly or indirectly, less than 50% of the total combined equity interests.

(c) Nothing contained in Section 4.1(a) or 4.1(b) shall impair the right of any member of a Group to enforce this Agreement, any Ancillary Agreement or any agreements, arrangements, commitments or understandings that are specified in Section 2.10(b) or an applicable Schedule as not to terminate as of the Effective Time. Nothing contained in Section 4.1(a) or 4.1(b) shall release any Person from:

(i) any Liability provided in or resulting from any agreement between or among any members of the SLM BankCo Group and/or the Navient Group that is specified in Section 2.10(b) or an applicable Schedule as not to terminate as of the Effective Time, or any other Liability specified in Section 2.10(b) as not to terminate as of the Effective Time;

(ii) any Liability, contingent or otherwise, assumed, transferred, assigned or allocated to the Group of which such Person is a member in accordance with, or any other Liability of any member of any Group under, this Agreement or any Ancillary Agreement;

(iii) any Liability for unpaid amounts for products or services or refunds owing on products or services due on a value-received basis for work done by a member of one Group at the request or on behalf of a member of the other Group;

(iv) any Liability that a Party may have with respect to indemnification pursuant to this Agreement, any Ancillary Agreement or otherwise for claims brought against one or more Parties by third Persons, which Liability shall be governed by the provisions of this Article IV and Article V and, if applicable, the appropriate provisions of the Ancillary Agreements; or

(v) any Liability the release of which would result in the release of any Person other than the Party or other members of its Group intended to be released pursuant to this Section 4.1.

In addition, nothing contained in Section 4.1(a) shall release (i) any member of the SLM BankCo Group from honoring its pre-existing obligations to indemnify, pursuant to its charter documents or otherwise, any director, officer or employee of Navient who was a director, officer or employee of any member of the SLM BankCo Group on or prior to the Effective Time, to the extent such director, officer or employee becomes a named defendant in any Action with respect to which such director, officer or employee was entitled to such indemnification pursuant to such pre-existing obligations; it being understood that, if the underlying obligation giving rise to such Action is a Navient Liability, Navient shall indemnify SLM BankCo for such Liability (including SLM BankCo's costs to indemnify the director, officer or employee) in accordance with the provisions set forth in this Article IV or (ii) any member of the Navient Group (including Existing SLM Holdco (as the successor to Existing SLM)) from honoring its pre-existing obligations to indemnify, pursuant to its charter documents or otherwise, any director, officer or employee of SLM BankCo who was a director, officer or employee of any member of the Navient Group on or prior to the Effective Time, to the extent such director, officer or employee becomes a named defendant in any Action with respect to which such director, officer or employee was entitled to such indemnification pursuant to such pre-existing obligations; it being understood that, if the underlying obligation giving rise to such Action is a SLM BankCo Liability, SLM BankCo shall indemnify Navient for such Liability (including Navient's costs to indemnify the director, officer or employee) in accordance with the provisions set forth in this Article IV.

(d) Navient shall not make, and shall not permit any other member of the Navient Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification, against SLM BankCo or any other member of the SLM BankCo Group, or any other Person released pursuant to Section 4.1(a), with respect to any Liabilities released pursuant to Section 4.1(a). SLM BankCo shall not make, and shall not permit any other member of the SLM BankCo Group to make, any claim or demand, or commence any Action asserting any claim or demand, including any claim of contribution or any indemnification against Navient or any other member of the Navient Group, or any other Person released pursuant to Section 4.1(b), with respect to any Liabilities released pursuant to Section 4.1(b).

(e) It is the intent of each of SLM BankCo and Navient, by virtue of the provisions of this Section 4.1, to provide for a full and complete release and discharge of all Liabilities existing or arising from all acts and events occurring or failing to occur or alleged to have occurred or to have failed to occur and all conditions existing or alleged to have existed at or before the Effective Time, between or among

Navient or any other member of the Navient Group, on the one hand, and SLM BankCo or any other member of the SLM BankCo Group, on the other hand (including any contractual agreements or arrangements existing or alleged to exist between or among any such members on or before the Effective Time), except as expressly set forth in Section 4.1(c). At any time, at the request of any other Party, each Party shall cause each member of its respective Group to execute and deliver further releases reflecting the provisions hereof.

4.2 Indemnification by Navient. Except as provided in Section 4.4, Navient shall, and shall cause the other members of the Navient Group to, indemnify, defend and hold harmless SLM BankCo, each member of the SLM BankCo Group and each of their respective directors, officers, employees and agents, in each case in their respective capacities as such, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the “SLM BankCo Indemnitees”), from and against any and all Losses of the SLM BankCo Indemnitees relating to, arising out of or resulting from, directly or indirectly, any of the following items (without duplication):

(a) Navient Liabilities;

(b) any breach by Navient or any other member of the Navient Group of this Agreement or any of the Ancillary Agreements (in each case, subject to the limitations set forth in this Agreement or the Ancillary Agreement, as applicable);

(c) except as set forth in Section 4.3(b) or the Tax Sharing Agreement, any Action or Threatened Action involving SLM BankCo or any of its Subsidiaries or their respective directors, executive officers, employees or agents that arises out of or primarily relates to the Separation or the Distribution;

(d) except to the extent it relates to a SLM BankCo Liability, any guarantee, indemnification obligation, surety bond or other credit support agreement, arrangement, commitment or understanding for the benefit of any member of the Navient Group or provided in connection with any Navient Asset or Navient Liability by any member of the SLM BankCo Group that continues after the Effective Time;

(e) the repurchase or redemption, in whole or in part, of the SLM BankCo Series A Preferred Stock or the SLM BankCo Series B Preferred Stock (or both) following the entry of a judgment or order adverse to SLM BankCo of a court in any Action, filed within three years of the Effective Time, arising out of (x) any actions or omissions of Existing SLM or SLM BankCo prior to the Effective Time or (y) the Separation and the Distribution (the “Trigger Event”). Navient’s obligation to indemnify SLM BankCo for such Losses shall be limited to the remedy set forth below in this Section 4.2(e), which shall be subject to the following conditions precedent: (i) within 90 days of the Trigger Event, SLM BankCo shall have received an instruction, order or decree of a Governmental Authority having regulatory authority over SLM BankCo (a



“Regulatory Authority”) that SLM BankCo increase its capital; and (ii) within 12 months after the Trigger Event, SLM BankCo shall have used its good faith reasonable efforts to raise such capital by means of a public or private sale of equity or debt securities in the capital markets. If the foregoing conditions are met, then Navient shall purchase from SLM BankCo, upon its request given within 12 months after the Trigger Event, preferred stock or debt securities of SLM BankCo (x) that would qualify as Tier 1 capital under Basel III, assuming SLM BankCo were a bank holding company subject to regulation under the Bank Holding Company Act of 1956, as amended, (y) the purchase price for which is equal to the lesser of (A) \$400 million and (B) the minimum amount of capital required by the Regulatory Authority to be raised by SLM BankCo and (z) having such other terms and conditions (including as to pricing) as Navient may reasonably request as are customary for similar securities of issuers having a similar credit profile as SLM BankCo and not inconsistent with the requirement of the preceding clause (A);

(f) the inability of any member of the SLM BankCo Group to sell, finance or securitize, on customary terms, loans that are SLM BankCo Assets as of the Effective Time due to inadequate or deficient servicing, originations, operations or collection activities with respect to such loans performed by Existing SLM or any of its Subsidiaries (including SMI) prior to the Effective Time (“Deficient Loans”). Navient’s obligation to indemnify SLM BankCo for such Losses shall be limited to the remedy set forth below in this Section 4.2(f), which shall be subject to the condition that Navient receive from SLM BankCo written notice in accordance with Section 10.5 by or before the Servicing Liability Cut-Off Date setting forth in reasonable detail SLM BankCo’s efforts to sell, finance or securitize the Deficient Loans and the basis on which SLM BankCo has determined such loans constitute Deficient Loans. If the foregoing condition is met, then Navient shall purchase, at SLM BankCo’s request, such Deficient Loans at a price of 100% of the principal balance plus 100% of the accrued and unpaid interest thereon to the date of purchase.

(g) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, with respect to all information contained in the Form 10, the Information Statement or any other Disclosure Document.

To the extent that a reserve or other account (a “Reserve”) is or was created by Effective Time Sallie Mae on behalf of any member of the SLM BankCo Group, at or prior to the Effective Time, in respect of potential Losses for which such member of the SLM BankCo Group is entitled to indemnification pursuant to this Section 4.2, then such member of the SLM BankCo Group shall first apply the amount in the Reserve against such Losses before seeking indemnification therefor from Navient hereunder.

4.3 Indemnification by SLM BankCo. SLM BankCo shall, and shall cause the other members of the SLM BankCo Group to, indemnify, defend and hold harmless Navient,

each other member of the Navient Group and each of their respective directors, officers, employees or agents, in each case in their respective capacities as such, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the “Navient Indemnitees”), from and against any and all Losses of the Navient Indemnitees relating to, arising out of or resulting from, directly or indirectly, any of the following items (without duplication):

(a) the SLM BankCo Liabilities;

(b) subject to Section 4.2(e), any Action (including the Actions captioned *William McCrady v. SLM Corporation et. al.*, C.A. No. 9285-VCL and *James L. Myers v. SLM Corporation et. al.*, C.A. No. 9371-VCL) relating to claims made by any current or former preferred stockholder of Existing SLM or SLM BankCo against any Party (or their respective directors, officers or employees) relating to, arising out of or resulting from (i) actions or omissions of Existing SLM or SLM BankCo at or prior to the Effective Time or (ii) the Separation and the Distribution; and

(c) any breach by SLM BankCo or any other member of the SLM BankCo Group of this Agreement or any of the Ancillary Agreements (in each case, subject to the limitations set forth in this Agreement or the Ancillary Agreement, as applicable).

#### 4.4 Indemnification Obligations Net of Insurance Proceeds and Other Amounts.

(a) The Parties intend that any Losses subject to indemnification or reimbursement payment owed or made pursuant to this Article IV or Article V will be net of applicable Insurance Proceeds. Accordingly, the amount which any Party (an “Indemnifying Party”) is required to pay to any Person entitled to indemnification hereunder (an “Indemnitee”) will be reduced by any Insurance Proceeds theretofore actually recovered by or on behalf of the Indemnitee on account of a covered claim under any applicable policy of insurance and in respect of the related liability. If an Indemnitee receives a payment (an “Indemnity Payment”) required by this Agreement from an Indemnifying Party in respect of any Losses and subsequently receives Insurance Proceeds, then the Indemnitee will promptly pay to the Indemnifying Party the amount of the Insurance Proceeds for such Losses, not to exceed the amount of the Indemnity Payment previously paid by the Indemnifying Party. The Parties acknowledge and agree that payment by an Indemnifying Party of an Indemnity Payment shall not be subject to, or conditioned upon, the prior receipt of Insurance Proceeds or filing of an insurance claim by the Indemnitee or the completion by any insurance company of its processes and procedures in respect of the same claim.

(b) An insurer who would otherwise be obligated to pay any claim shall not be relieved of the responsibility with respect thereto, it being expressly understood and agreed that no insurer or any other third party shall be entitled to a “windfall” (*i.e.*, a benefit they would not be entitled to receive in the absence of the indemnification provisions) by virtue of the indemnification provisions hereof.

(c) The Parties intend that, except to the extent otherwise provided in an Ancillary Agreement, any indemnification or reimbursement payment in respect of Losses pursuant to this Article IV or Article V shall be (i) reduced to take into account the present value amount of any projected Tax benefit to the Indemnitee or its Affiliates resulting from the Losses so indemnified or reimbursed and (ii) increased so that the amount of such payment, reduced by the present value amount of all Taxes projected to be payable with respect to the receipt thereof (including by reason of any resulting loss of Tax benefits, but taking into account all correlative Tax benefits resulting from the payment of such Taxes), shall equal the amount of the payment which the Person receiving such payment would otherwise be entitled to receive pursuant to this Agreement. For purposes of this Section 4.4(c), the present value amount of any projected Tax benefit and any projected Taxes payable shall be calculated based on reasonable reporting positions, reasonable projections of applicable tax items (including income, gains, losses, deductions, and credits) and reasonable projections of applicable Tax rates of the Indemnitee or its Affiliates, as the case may be, supported by, and subject to the advice of, the outside tax advisor of the Indemnitee or its Affiliates, as the case may be, and a mutually agreed discount rate equal to the sum of LIBOR and the Indemnitee's credit spread over the yield of U.S. treasury notes having a duration approximately equal to the required tax payments. For all Tax purposes, to the extent permitted by applicable Tax Law, the Parties will treat any indemnification or reimbursement payment in respect of a liability pursuant to this Article IV or Article V as a capital contribution made by SLM BankCo to Navient or as a distribution made by Navient to SLM BankCo, as the case may be, on the date recited above on which the parties entered into the Agreement.

#### 4.5 Procedures for Indemnification of Third Party Claims.

(a) If an Indemnitee shall receive notice or otherwise learn of the assertion by a Person (including any Governmental Authority) who is not a member of the SLM BankCo Group or the Navient Group of the commencement by any such Person of any Action against such Indemnitee (collectively, a "Third Party Claim") with respect to which an Indemnifying Party may be obligated to provide indemnification to such Indemnitee pursuant to Section 4.2 or 4.3, or any other Section of this Agreement or any Ancillary Agreement, such Indemnitee shall give such Indemnifying Party written notice thereof within 15 business days after becoming aware of such Third Party Claim. Any such notice shall describe the Third Party Claim in reasonable detail and include copies of all notices and documents (including court papers) received by the Indemnitee relating to the Third Party Claim. Notwithstanding the foregoing, the failure of an Indemnitee to provide timely written notice in accordance with this Section 4.5(a) shall not relieve an Indemnifying Party of its indemnification obligations under this Agreement, except to the extent to which the Indemnifying Party is actually prejudiced by the Indemnitee's failure to provide notice in accordance with this Section 4.5(a).

(b) Subject to the terms and conditions of any applicable insurance policy in place after the Effective Time, an Indemnifying Party may elect to defend and, unless the Indemnifying Party has specified any reservations or exceptions, to seek to settle or compromise, at such Indemnifying Party's own expense and by such Indemnifying Party's own counsel, any Third Party Claim if (i) the Third Party Claim involves only money damages and does not seek an injunction or other equitable relief against an Indemnified Party; and (ii) the Third Party Claim is not made by a Governmental Authority; provided, however, that Navient shall be required, at the election of SLM BankCo, to assume the defense of a Third Party Claim made by a Governmental Authority that primarily relates to or arises out of servicing and collections activities constituting Navient Liabilities. Within 30 days after the receipt of notice from an Indemnitee in accordance with Section 4.5(a) (or sooner, if the nature of such Third Party Claim so requires), the Indemnifying Party shall notify the Indemnitee of its election, if available to it, whether the Indemnifying Party will assume responsibility for defending such Third Party Claim, which election shall specify any reservations or exceptions. After notice from an Indemnifying Party to an Indemnitee of its election to assume the defense of a Third Party Claim, such Indemnitee shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise or settlement thereof, but the fees and expenses of such counsel shall be the expense of such Indemnitee except as set forth in the next sentence. In the event that the Indemnifying Party has elected to assume the defense of the Third Party Claim but has specified, and continues to assert, any reservations or exceptions in such notice, then, in any such case, the reasonable fees and expenses of one separate counsel (along with one local counsel in each applicable jurisdiction) for all Indemnitees shall be borne by the Indemnifying Party.

(c) If an Indemnifying Party elects not to assume responsibility for defending a Third Party Claim or does not have the right to elect to assume responsibility therefor pursuant to Section 4.5(b), or fails to timely notify an Indemnitee of its election as provided in Section 4.5(b), such Indemnitee may defend such Third Party Claim at the cost and expense of the Indemnifying Party. If an Indemnifying Party is not permitted to assume the defense of a Third Party Claim pursuant to Section 4.5(b), the Indemnitee shall have the right to employ, at the Indemnifying Party's expense, counsel, experts and vendors of its choice (subject to the approval of the Indemnifying Party, which approval shall not be unreasonably withheld or delayed) to represent the Indemnitee, and the Indemnifying Party shall only be obligated to indemnify the Indemnitee for reasonable costs and expenses in connection with the defense of such Third Party Claim. If an Indemnitee engages in discussions to compromise or settle a Third Party Claim, such Indemnitee shall in all cases promptly share with the Indemnifying Party such discussions and all other communications made in connection with such compromise or settlement discussions.

(d) In the case of a Third Party Claim, (i) no Indemnifying Party shall consent to entry of any judgment or enter into any settlement of the Third Party Claim without the written consent of the Indemnitee if (A) the effect thereof is to permit any injunction, declaratory judgment, other order or other non-monetary relief to be entered, directly or indirectly against any Indemnitee, (B) such settlement or judgment requires or contains any admission of liability by the Indemnitee, (C) such settlement does not include a full and unconditional release of the Indemnitee as to that Third Party Claim, or (D) such judgment or settlement imposes any obligation or restriction on the Indemnitee other than the payment of money and (ii) unless the Indemnifying Party has failed to assume the defense of the Third Party Claim that it is permitted to assume in accordance with the terms of this Agreement or in circumstances under which an Indemnifying Party is not permitted to assume the defense of a Third Party Claim pursuant to Section 4.5(b), no Indemnitee shall consent to entry of any judgment or enter into any settlement of the Third Party Claim without the written consent of the Indemnifying Party.

(e) The above provisions of this Section 4.5 and the provisions of Section 4.6 do not apply to Taxes (which are governed by the Tax Sharing Agreement). In the case of any conflict between this Agreement and the Tax Sharing Agreement in relation to any matters addressed by the Tax Sharing Agreement, the Tax Sharing Agreement shall prevail.

#### 4.6 Additional Matters.

(a) Subject to the terms, conditions and limitations of any applicable insurance policy, indemnification payments in respect of any Losses for which an Indemnitee is entitled to indemnification under this Article IV shall be paid by the Indemnifying Party to the Indemnitee as such Losses are incurred upon written demand by the Indemnitee, including reasonably satisfactory documentation setting forth the basis for the amount of such indemnification payment, including documentation with respect to calculations made and consideration of any Insurance Proceeds that actually reduce the amount of such indemnification payment or reimbursement. The indemnity agreements contained in this Article IV shall remain operative and in full force and effect, regardless of (i) any investigation made by or on behalf of any Indemnitee prior to the Effective Time, (ii) the knowledge by the Indemnitee of Losses for which it might be entitled to indemnification hereunder and (iii) any termination of this Agreement.

(b) Any claim on account of Losses for which an Indemnitee is entitled to indemnification under this Article IV which does not result from a Third Party Claim shall be asserted by written notice given by the Indemnitee to its Indemnifying Party. The written notice shall describe the Losses asserted and the

Indemnity Payment due in reasonable detail. Such Indemnifying Party shall have a period of 15 business days (unless a shorter period is required under the circumstances) after the receipt of such notice within which to respond thereto. If such Indemnifying Party does not respond within such 15- business day period, such Indemnifying Party shall be deemed to have refused to accept responsibility to make payment. If such Indemnifying Party does not respond within such 15-business day period or rejects such claim in whole or in part, such Indemnatee shall be free to pursue such remedies as may be available to such party as contemplated by this Agreement and the Ancillary Agreements.

(c) In the event of payment by or on behalf of any Indemnifying Party to any Indemnatee in connection with any Third Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnatee as to any events or circumstances in respect of which such Indemnatee may have any right, defense or claim relating to such Third Party Claim against any claimant or plaintiff asserting such Third Party Claim or against any other Person. Such Indemnatee shall cooperate with such Indemnifying Party in a reasonable manner, and at the reasonable cost and expense of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

(d) In the event of an Action relating to or arising out of Losses subject to indemnification or reimbursement pursuant to Article IV or Article V in which the Indemnifying Party is not a named defendant, if either the Indemnatee or Indemnifying Party shall so request, the Parties shall endeavor to substitute the Indemnifying Party for the named defendant. If such substitution or addition cannot be achieved for any reason or is not requested, the named defendant shall allow the Indemnifying Party to manage the Action as set forth in this Section 4.6(d), and the Indemnifying Party shall fully indemnify the named defendant against all reasonable costs of defending the Action (including court costs, sanctions imposed by a court, attorneys' fees, experts fees and all other external expenses), the costs of any judgment or settlement and the cost of any interest or penalties relating to any judgment or settlement.

4.7 Remedies Cumulative. The remedies provided in this Article IV shall be cumulative and, subject to the provisions of Article VIII, shall not preclude assertion by any Indemnatee of any other rights or the seeking of any and all other remedies against any Indemnifying Party.

4.8 Survival of Indemnities. The rights and obligations of each of SLM BankCo and Navient and their respective Indemnitees under this Article IV shall survive the sale or other transfer by any party of any Assets or businesses or the transfer or assignment by it of any Liabilities and the termination or expiration of this Agreement.

ARTICLE V  
CERTAIN OTHER MATTERS

5.1 Insurance Matters.

(a) Existing SLM, SLM BankCo and Navient agree to cooperate in good faith to provide for an orderly transition of insurance coverage. Following the Effective Time, SLM BankCo and Navient agree to cooperate with respect to insurance coverage matters as described in this Section 5.1.

(b) From and after the Effective Time, other than as expressly provided in Section 5.1(c) with respect to any Shared Policies and other than with respect to their Joint E&O Policy and Joint F.I. Bond Policy, neither SLM BankCo nor Navient, nor any member of its respective Group, shall have any rights to or under any of the other Group's insurance policies, including not having access to and not having the right to make claims under any of the other Group's insurance policies. At the Effective Time, each of Navient and SLM BankCo shall have in effect insurance policies as reasonably necessary or customary for companies operating a similar business. Such insurance programs may include, but are not limited to, comprehensive general liability, umbrella/excess liability, above ground/underground storage tank liability, surety bonds, commercial auto liability, workers' compensation, employer's liability, professional liability, property, employee dishonesty/crime, directors' and officers' liability and fiduciary liability.

(c) From and after the Effective Time, with respect to any losses, damages and liability incurred by any member of the Navient Group or the SLM BankCo Group for which such member is entitled to coverage under the D&O Tail Policy or Historical P/C Policies of insurance (collectively, the "Shared Policies"), each Party will provide the other Party (or any member of the other Party's Group) with access to, and may make claims under, the Shared Policies, but solely to the extent that such Shared Policies provide coverage therefor; provided that such access to, and the right to make claims under, such insurance policies, shall be subject to the terms, conditions, and exclusions of such insurance policies, including any limits on coverage or scope, any deductibles or retentions and other fees and expenses, and shall be subject to the following additional conditions:

(i) each of Navient and SLM BankCo shall provide, as promptly as practicable, notice to the other Party with respect to any claims to be made under any Shared Policy and shall report, as promptly as practicable, claims in accordance with the terms of the applicable insurance policy;

(ii) except with respect to claims made by the SLM BankCo Group that relate to Liabilities that are Navient Liabilities, SLM BankCo shall pay to the Navient Group an amount equal any deductibles, self-insured retention, fees and

expenses incurred by any member of the Navient Group to the extent resulting from any access to or any claims made by any member of the SLM BankCo Group under any Shared Policy;

(iii) except with respect to claims made by the Navient Group that relate to Liabilities that are SLM BankCo Liabilities, Navient shall pay to the SLM BankCo Group an amount equal to any deductibles, self-insured retention, fees and expenses incurred by any member of the SLM BankCo Group to the extent resulting from any access to or any claims made by any member of the Navient Group under any Shared Policy; and

(iv) except to the extent for payments and reimbursements required pursuant to Section 5.1(c)(ii) and (iii), neither the Navient Group nor the SLM BankCo Group shall have any liability or indemnification obligation to repay or reimburse the other Party for any uninsured, uncovered, unavailable or uncollectible insurance amounts under the Shared Policies to the extent resulting from any access to or any claims made by any member of either Group under any Shared Policy; *provided, however*, that any such uninsured, uncovered, unavailable or uncollectible insurance amounts under the Shared Policies shall not relieve or reduce an Indemnifying Party of its indemnification obligations under this Agreement.

(d) All payments and reimbursements pursuant to Section 5.1(c)(ii) and (iii) will be made on demand after receipt of an invoice therefor from the other Party. If a Party incurs costs to enforce the other Party's obligations under Section 5.1(c)(ii) or (iii), as applicable, the other Party shall indemnify such Party for reasonable enforcement costs, including reasonable attorneys' fees.

(e) Prior to the Effective Time Navient and SLM BankCo shall jointly purchase a Joint E&O Policy and Joint F.I. Bond Policy, covering acts and omissions and on terms substantially similar to those obtained for similar insurance policies by Existing SLM prior to the Effective Time, with a term ending on the one-year anniversary of the Effective Time. Unless waived by the Parties, Navient and SLM BankCo shall extend or purchase a new Joint E&O Policy and Joint F.I. Bond Policy, on no less favorable terms, for such period or periods as may be necessary for them to be in effect throughout the period of the IT Transition. The cost of each Joint E&O Policy and Joint F.I. Bond Policy shall be shared by the Parties (including extensions and replacements) based on their relative revenue for the four most recent calendar quarters (for which financial information is available) prior to the effective date of such policies; *provided*, the initial premium shall be based on the pro forma revenue for 2013 for Navient and SLM BankCo, after giving effect to the transactions contemplated by this Agreement.



(f) Each of Navient and SLM BankCo shall have the right to erode, exhaust limits, settle, release or otherwise resolve disputes relating to claims made by such Party under any Shared Policy, Joint E&O Policy or Joint F.I. Bond Policy. Navient and SLM BankCo shall cooperate and share such information as is reasonably necessary in order to permit the Parties to manage and conduct their insurance matters with respect to each such policy.

(g) This Agreement shall not be considered as an attempted assignment of any policy of insurance or as a contract of insurance and shall not be construed to waive any right or remedy of any member of the SLM BankCo Group or the Navient Group in respect of any insurance policy.

5.2 Late Payments. Except as expressly provided to the contrary in this Agreement or in any Ancillary Agreement, any undisputed amount not paid when due pursuant to this Agreement or any Ancillary Agreement (and any amounts billed or otherwise invoiced or demanded and properly payable that are not paid within 30 days of such bill, invoice or other demand) shall accrue interest at a rate per annum equal to the Prime Rate plus 2%.

5.3 Amendment to Existing SLM Holdco Operating Agreement. As promptly as practicable (and in any event within five Business Days) after the Effective Time, Navient, as the sole member of Existing SLM Holdco, shall approve an amendment to the Existing SLM Holdco Operating Agreement to eliminate the requirement, set forth in Article III thereof, for SLM BankCo stockholders to approve certain actions by or involving Existing SLM Holdco as required by Section 251(g) of the DGCL (the "Operating Agreement Amendment"). SLM BankCo shall use its reasonable best efforts to (a) include in the proxy statement for the 2014 annual meeting of common stockholders of SLM BankCo (or any earlier meeting of such stockholders as determined by the SLM BankCo Board) a proposal to approve the Operating Agreement Amendment (the "Operating Agreement Amendment Proposal"), along with a recommendation of the SLM BankCo Board that the common stockholders of SLM BankCo approve the Operating Agreement Amendment Proposal, and (b) solicit the approval of the common stockholders of SLM BankCo of the Operating Agreement Amendment Proposal. In the event that the Operating Agreement Amendment Proposal is not approved at such annual meeting (or earlier meeting), SLM BankCo shall use its reasonable best efforts to obtain the approval of the Operating Agreement Amendment Proposal at each subsequent annual or special meeting of common stockholders of SLM BankCo until such approval is obtained.

#### 5.4 Non-Competition Matters.

(a) *Certain Definitions*. For purposes of this Section 5.4, (i) "making," "make" or "solicit" refers to the process of acting or seeking to act as a lender in providing funds, as opposed to acting as a service provider for others, (ii) "origination services" refers to providing loan origination services (e.g., application processing and underwriting) for unrelated third parties, as opposed to acting as a lender in providing funds, (iii) "customer" is as defined in the regulations promulgated under the

Gramm-Leach-Bliley Act and (iv) a “Loan Customer” is a customer whose education loan is owned or was securitized by an entity, and for clarification, a “Navient Loan Customer” includes a Loan Customer whose education loan is owned by a member of the Navient Group or was securitized by Effective Time Sallie Mae on or prior to the Effective Time or by any members of the Navient Group from and after the Effective Time and remains outstanding and a “BankCo Loan Customer” includes a Loan Customer whose education loan is owned by a member of the SLM BankCo Group or was securitized by any member of the BankCo Group from and after the Effective Time and remains outstanding.

(b) *Navient Restricted Business*. From the Effective Time through December 31, 2018 (the “Non-Competition Period”), except as set forth in Section 5.4(g)(i) below, Navient will not, and will cause its Subsidiaries not to, advise, engage in or carry on any Navient Restricted Business (as defined below) or own, operate, control, share any revenues of or have any profit or other equity interest in any business engaged in a Navient Restricted Business. The “Navient Restricted Business” shall mean any of the following activities in the United States: (i) making Private Education Loans directly as a lender; (ii) entering into agreements to purchase Private Education Loans that have not yet been made; (iii) entering into agreements to provide Private Education Loan origination services, other than to Navient Excluded Persons; (iv) entering into agreements to provide servicing for Private Education Loans, other than to Navient Excluded Persons, members of the Navient Group and securitization trusts created by Effective Time Sallie Mae or, after the Effective Time, members of the Navient Group; (v) subject to Section 5.4(d), making a loan to consolidate or refinance a BankCo Loan Customer’s Private Education Loans unless the borrower is a Navient Loan Customer immediately prior to making such loan; (vi) making any of the other consumer loans included in the SLM BankCo business plan presented to the Existing SLM Board in October 2013 (other than loans that consolidate or refinance education loans, Government Education Loans, Permitted Government Education Loans or FFELP loans otherwise permitted to be made by Navient in accordance with this Agreement); or (vii) advising or consulting with any unrelated third party regarding any of the foregoing activities (other than, as to clause (iii) or (iv) above, with Navient Excluded Persons [or with respect to processing services such as loan origination services or loan servicing not otherwise prohibited by clauses (i)-(vi) above]). For the avoidance of doubt, the Navient Restricted Business shall not include (x) the ownership of Equity Interests in SMI; (y) the provision of services to, or for the benefit of, SLM BankCo as set forth in the Transition Services Agreement or any other Ancillary Agreement or as otherwise requested by SLM BankCo; or (z) agreements or arrangements with a third party in effect as of the Effective Time (and renewals or replacements thereof with the same party, its successor or its Affiliates).

(c) *SLM BankCo Restricted Business*. During the Non-Competition Period, SLM BankCo will not, and will cause its Subsidiaries not to, advise, engage in or carry

on any SLM BankCo Restricted Business (as defined below) or own, operate, control, share any revenues of or have any profit or other equity interest in any business engaged in a SLM BankCo Restricted Business. The “SLM BankCo Restricted Business” shall mean any of the following activities in the United States: (i) making Government Education Loans or FFELP loans directly as a lender; (ii) providing origination services, acquiring, collecting, holding or providing servicing activities (including loan servicing, default prevention, portfolio management and cohort rate management services) with respect to Government Education Loans, FFELP Loans or DSLP Loans); (iii) engaging in any third party debt collection (other than in respect of education loans owned by a member of the SLM BankCo Group at or after the Effective Time); (iv) subject to Section 5.4(d), making a loan to consolidate or refinance a Navient Loan Customer’s Government Education Loans, FFELP Loans or Private Education Loans unless the borrower is a BankCo Loan Customer immediately prior to making such loan; (v) except as otherwise provided below, engaging in services included in the Navient business plan presented to the Existing SLM Board in October 2013; or (vi) advising or consulting with any third party regarding any of the foregoing. For the avoidance of doubt, the SLM BankCo Restricted Business shall not include (x) the ownership of the SMI Preferred Stock; (y) the provision of services to, or for the benefit of, Navient as set forth in the Transition Services Agreement or any other Ancillary Agreement or as otherwise requested by Navient; or (z) servicing or holding FFELP Loans owned by Sallie Mae Bank at the Effective Time.

(d) *Consolidation Loans.* During the Non-Competition Period, and subject to the terms of any applicable loan sale agreement between any member of the Navient Group and any member of the SLM BankCo Group:

(i) If any member of the Navient Group or Effective Time Sallie Mae (other than Sallie Mae Bank) purchased or purchases a loan from any member of the SLM BankCo Group, the SLM BankCo Group may not solicit a consolidation loan from the same borrower (a “customer”) even if the SLM BankCo Group makes a new Private Education Loan or Permitted Government Education Loan after the date the prior loan was purchased by the Navient Group; *provided, however*, that if the SLM BankCo Group complies with the second and third sentences of this Section 5.4(d)(i), making a consolidation loan to such customer shall not constitute a breach of this Agreement. If the SLM BankCo Group makes a consolidation loan to such customer within three years of the date the loan(s) were acquired from Sallie Mae Bank or any other member of the SLM BankCo Group by the Navient Group or Effective Time Sallie Mae (other than Sallie Mae Bank), whether such acquisition occurred before or after the Effective Time), SLM BankCo shall present an option to the Navient Group to purchase such loan within 90 days of the date the consolidation loan was made, at a price of 100% of the principal balance plus 100% of the accrued and unpaid interest (“Par”). If Navient (or another member of the Navient Group) does not purchase the loan

within 60 days of SLM BankCo's request, then within the next 30 days SLM BankCo (or its designee within the SLM BankCo Group) will refund the premium paid on any of the underlying loan(s) that were owned by a member of the Navient Group based on the following schedule: if the consolidation loan is made (A) within the first year following the purchase, 88% of the premium will be refunded, (B) in the second year following purchase, 82% of the premium will be refunded, and (C) in the third year, 75% of the premium will be refunded.

(ii) If any member of the SLM BankCo Group sells a loan to any member of the Navient Group (including any entity that becomes a member of the Navient Group after the Effective Time), the Navient Group may not solicit or make a consolidation loan to that customer that includes other loans of such customer that are held by the SLM BankCo Group; *provided, however*, that if the Navient Group complies with the second, third and fourth sentences of this Section 5.4(d)(i), making a consolidation loan to such customer that includes such other loans shall not constitute a breach of this Agreement. If, within three years of the date any member of the Navient Group (including any entity that becomes a member of the Navient Group after the Effective Time) acquired such loan from a member of the SLM BankCo Group, whether such loan was acquired before or after the Effective Time, any member of the Navient Group makes a consolidation loan which includes a loan made to such customer that is held by the SLM BankCo Group, Navient (or its designee within the Navient Group) will present to SLM BankCo, within 90 days of the date the consolidation loan was made, the right (a) to buy such loan at a price of Par within 60 days of Navient's notification, in which case simultaneously with such purchase, SLM BankCo (or its designee within the SLM BankCo Group) shall refund the premium paid by the applicable member of the Navient Group per the schedule set forth in Section 5.4(d)(i), or (b) to propose a premium that Navient (or its designee within the Navient Group) would pay for the portion of the principal of the consolidation loan that was consolidated away from the SLM BankCo Group (the "BankCo Principal"). Within 15 days of being notified by Navient of the making of such consolidation loan, SLM BankCo will advise Navient in writing as to whether it (or its designee) will acquire the consolidation loan on the terms set forth in this paragraph, or SLM BankCo will propose in writing the premium that Navient (or its designee) would pay for the BankCo Principal. Within 45 days following such notification, Navient or another member of the Navient Group will either sell such consolidation loan to SLM BankCo on the terms set forth in this paragraph, or, at Navient's option, pay the premium on such BankCo Principal to SLM BankCo or its designee (in lieu of such sale).

(e) *Permitted Government Education Loans*. The Parties acknowledge that Permitted Government Education Loans have attributes of both a Private Education Loan and a Government Education Loan and that both Navient and SLM BankCo should be

permitted to participate in any market for Permitted Government Education Loans, subject to their compliance with this Section 5.4(e). During the Non-Competition Period, the Parties agree that:

(i) Permitted Government Education Loans shall be treated as Private Education Loans for purposes of Section 5.4(b) and the definition of “Navient Restricted Business,” unless prior to taking any of the actions specified in clauses (i) - (vi), inclusive, of Section 5.4(b) as to a particular Permitted Government Education Loan, Navient, or another member of the Navient Group, first complies with Navient’s obligations under Section 5.6(b) (or, if Navient does not intend to market such loans in concert with or through one or more third parties, Navient first notifies SLM BankCo in writing of its plans in respect of such loans that would otherwise violate Section 5.4(b)), in which case such Permitted Government Education Loan shall not be deemed a Private Education Loan or otherwise subject to the restrictions or limitations applicable to the Navient Restricted Business.

(ii) Permitted Government Education Loans shall be treated as Government Education Loans for purposes of Section 5.4(c) and the definition of “SLM BankCo Restricted Business,” unless prior to taking any of the actions specified in clauses (i) - (vi), inclusive, of Section 5.4(c) as to a particular Permitted Government Education Loan, SLM BankCo, or another member of the SLM BankCo Group, first complies with SLM BankCo’s obligations under Section 5.6(b) (or, if SLM BankCo does not intend to market such loans in concert with or through one or more third parties, SLM BankCo first notifies Navient in writing of its plans in respect of such loans that would otherwise violate Section 5.4(c)), in which case such Permitted Government Education Loan shall not be deemed a Government Education Loan or otherwise subject to the restrictions or limitations applicable to the SLM Bank.

(f) *Large New Government Education Loans.* The Parties acknowledge that the SLM BankCo Group should be permitted to participate, along with the Navient Group, in any market for Large New Government Education Loans, subject to SLM BankCo’s compliance with this Section 5.4(f). During the Non-Competition Period, Large New Government Education Loans shall be treated as Government Education Loans for purposes of Section 5.4(c) and the definition of “SLM BankCo Restricted Business,” unless prior to taking any of the actions specified in clauses (i) - (vi), inclusive, of Section 5.4(c) as to a particular Large New Government Education Loan program, SLM BankCo, or another member of the SLM BankCo Group, first complies with SLM BankCo’s obligations under Section 5.6(b) (or, if SLM BankCo does not intend to market such loans in concert with or through one or more third parties, SLM BankCo first notifies Navient in writing of its plans in respect of such loans, including any that would otherwise violate Section 5.4(c)), in which case Large New Government Education Loans originated under such Large New Government Education Loan program shall not be deemed a Government Education Loan or otherwise subject to the restrictions or limitations applicable to the SLM BankCo Restricted Business.

(g) *Acquisitions and Divestitures*. The Parties recognize that during the course of the Non-Competition Period each of them may engage in acquisition and divestiture transactions. The Parties further recognize that the restrictions set forth in the other paragraphs of this Section 5.4 (together with this Section 5.4(g), collectively, the “Business Restrictions”) have been structured in the context of the anticipated businesses of the Navient Group and the SLM BankCo Group, and may have uncertain application to acquisitions and divestitures of companies, businesses and assets. It is the intent of the Parties that the Business Restrictions should apply, for the remainder of the Non-Competition Period, to any companies, business lines or assets that are divested to third parties that close during the period beginning at the Effective Time and ending on May 1, 2017 (the “M&A Out Date”), but should no longer apply to any such divestitures that close after the M&A Out Date. The Parties further intend that the Business Restrictions should apply throughout the Non-Competition Period to any acquisitions of companies, business lines or assets by the Parties. Based on the foregoing, the Parties agree as follows:

(i) *Navient Restrictions*.

(A) The operations or assets of any Person or business acquired by a member of the Navient Group (whether acquired pursuant to a merger, consolidation, acquisition of assets or Equity Interests or otherwise) from a third party other than a Navient Excluded Person (a “Newly Acquired Navient Business”) after the Effective Time shall be subject to the Business Restrictions, to the same extent as they are applicable to Navient immediately prior to the acquisition of the Newly Acquired Navient Business, for the remainder of the Non-Competition Period. Each Subsidiary or Affiliate of Navient that is engaged in the Newly Acquired Navient Business after the Effective Time shall be treated as a member of the Navient Group for all purposes of this Section 5.4;

(B) If Navient or any member of the Navient Group acquires a Navient Excluded Person or any product line, business or assets of a Navient Excluded Person (whether acquired pursuant to a merger, consolidation, acquisition of assets or Equity Interests or otherwise) (an “Acquired Excluded Business”) after the Effective Time, then the Acquired Excluded Business shall be subject to the Business Restrictions, to the same extent as they are applicable to Navient immediately prior to the acquisition of the Acquired Excluded Business, but only as to business activities of the Acquired Excluded Business after the purchase thereof by Navient or a member of the Navient Group. Pre-existing businesses of the Acquired Excluded Business shall not violate the applicable Business

Restrictions so long as no new contracts, agreements or arrangements are entered into (other than renewals or replacements thereof of similar scope with the same parties or their Affiliates) that would violate the Business Restrictions. Each Subsidiary or Affiliate of Navient that is engaged in the Acquired Excluded Business after the Effective Time shall be treated as a member of the Navient Group for all purposes of this Section 5.4, subject to the provisions of this Section 5.4(g)(i)(B);

(C) If any member of the Navient Group sells or disposes of a company, product line, business or assets (constituting less than all or substantially all of the assets of the Navient Group) to a third party (a "Navient Disposed Business") after the Effective Time and on or prior to the M&A Out Date, then the Navient Disposed Business (but not the third party acquiror or its other Subsidiaries), following such sale or other disposition, shall remain subject to the Business Restrictions, to the same extent as they are applicable to Navient immediately prior to the sale or other disposition of the Navient Disposed Business, for the remainder of the Non-Competition Period. Each entity directly engaged in a Navient Disposed Business sold or otherwise disposed of on or prior to the M&A Out Date (but not the acquiror or its other Subsidiaries) shall be treated as a member of the Navient Group for the remainder of the Non-Competition Period, and Navient shall cause the acquiring third party to enter into an agreement, acceptable to SLM BankCo, that such third party will not take any action to circumvent the foregoing provisions of this Section 5.4(g)(i)(C). If a Navient Disposed Business is sold or otherwise disposed of after the M&A Out Date, (x) the Business Restrictions shall not apply to the Navient Disposed Business, and the acquiror shall take free of the Business Restrictions, and (y) to the extent SLM BankCo was restricted in its activities as to the product line, business or assets included in the Navient Disposed Business pursuant to this Section 5.4, then the SLM BankCo Group shall no longer be bound by such restrictions as they relate to such product line, business or assets; and

(D) If all or substantially all of the assets and businesses of the Navient Group (taken as a whole) are acquired (whether pursuant to a merger, consolidation, acquisition of assets or Equity Interests or otherwise) by a third party or if Navient undergoes a Change of Control (each, a "Navient Acquisition") after the Effective Time and on or prior to the M&A Out Date, then Navient shall cause the acquiring third party to enter into an agreement, acceptable to SLM BankCo, that subjects the operations and activities of such acquiring Person, any Person that controls the acquiror, and their respective Subsidiaries (collectively, and including the Navient Group, the "Navient Acquiror Group") to the

Business Restrictions, to the same extent as they apply to Navient immediately prior to the consummation of the Navient Acquisition, for the remainder of the Non-Competition Period. Each member of the Navient Acquiror Group (as to any Navient Acquisition that occurs on or prior to the M&A Out Date) shall be treated as a member of the Navient Group for the remainder of the Non-Competition Period. If a Navient Acquisition occurs after the M&A Out Date, the Business Restrictions shall not apply to the Navient Acquiror Group (including the Navient Group). If following a Navient Acquisition the Business Restrictions no longer apply to the Navient Group, then the Business Restrictions shall cease to apply for the remainder of the Non-Competition Period to the SLM BankCo Group at the same time.

(ii) *SLM BankCo Restrictions*. During the Applicable Non-Competition Period:

(A) The operations or assets of any Person or business acquired by a member of the SLM BankCo Group (whether acquired pursuant to a merger, consolidation, acquisition of assets or Equity Interests or otherwise) from a third party (a "Newly Acquired SLM BankCo Business") after the Effective shall be subject to the Business Restrictions, to the same extent as they are applicable to SLM BankCo, for the remainder of the Non-Competition Period. Each Subsidiary or Affiliate of SLM BankCo that is engaged in the Newly Acquired SLM BankCo Business shall be treated as a member of the SLM BankCo Group for all purposes of this Section 5.4;

(B) If any member of the SLM BankCo Group sells or disposes of a company, product line, business or assets (constituting less than all or substantially all of the assets of the SLM BankCo Group) to a third party (a "SLM BankCo Disposed Business") after the Effective Time and on or prior to the M&A Out Date, then the SLM BankCo Disposed Business (but not the third party acquiror or its other Subsidiaries), following such sale or other disposition, shall remain subject to the Business Restrictions, to the same extent as they are applicable to SLM BankCo, for the remainder of the Non-Competition Period. Each entity directly engaged in a SLM BankCo Disposed Business sold or otherwise disposed of on or prior to the M&A Out Date (but not the acquiror or its other Subsidiaries) shall be treated as a member of the SLM BankCo Group for the remainder of the Non-Competition Period, and SLM BankCo shall cause the acquiring third party to enter into an agreement, acceptable to Navient, that such third party will not take any action to circumvent the foregoing provisions of this Section 5.4(g)(ii)(C). If a SLM BankCo Disposed Business is sold or otherwise disposed of on or after the M&A Out Date,



(x) the Business Restrictions shall not apply to the SLM BankCo Disposed Business, and the acquiror shall take free of the Business Restrictions, and (y) to the extent Navient was restricted in its activities as to the product line, business or assets included in the SLM BankCo Disposed Business pursuant to this Section 5.4, then the Navient Group shall no longer be bound by such restrictions as they relate to such product line, business or assets; and

(C) If all or substantially all of the assets and businesses of SLM BankCo (taken as a whole) are acquired (whether pursuant to a merger, consolidation, acquisition of assets or Equity Interests or otherwise) by a third party, or if SLM BankCo or Sallie Mae Bank undergoes a Change of Control (each, an “SLM BankCo Acquisition”) after the Effective Time and on or prior to the M&A Out Date, then SLM BankCo shall cause the acquiring third party to enter into an agreement, acceptable to Navient, that subjects the operations and activities of such acquiring Person, any Person that controls such acquiring Person, and their respective Subsidiaries (collectively, and including the SLM BankCo Group, the “SLM BankCo Acquiror Group”) to the Business Restrictions, to the same extent as they apply to SLM BankCo immediately prior to the SLM BankCo Acquisition, for the remainder of the Non-Competition Period. Each member of the SLM BankCo Acquiror Group (as to any SLM BankCo Acquisition that occurs on or prior to the M&A Out Date) shall be treated as a member of the SLM BankCo Group for the remainder of the Non-Competition Period. If a SLM BankCo Acquisition occurs after the M&A Out Date, the Business Restrictions shall not apply to the SLM BankCo Acquiror Group (including the SLM BankCo Group). If following a SLM BankCo Acquisition the Business Restrictions no longer apply to the SLM BankCo Group, then the Business Restrictions shall cease to apply to the Navient Group for the remainder of the Non-Competition Period at the same time. Sallie Mae Bank shall be deemed to constitute “all or substantially all” of the business and assets of the SLM BankCo Group (taken as a whole) for purposes of this Section 5.4(g)(ii).

5.5 Non-Solicitation Matters. During the Non-Solicitation Period, each of SLM BankCo and Navient agrees not to solicit (and to cause its Subsidiaries not to solicit) Covered Personnel of the other Party’s Group; provided, however, that it is understood that the obligations in this Section 5.5 shall not prohibit (i) generalized solicitations by advertising and the like that are not directed to Covered Personnel, (ii) solicitations of individuals whose employment was terminated by the other Party or a member of its Group or (iii) the transfer of any Delayed Transfer Employees. “Covered Personnel” means any employee, personnel or individual consultant or independent contractor that is employed by, or provides services to, the SLM BankCo Group or the Navient Group, as applicable, as of the Effective Time. The

“Non-Solicitation Period” shall mean (i) two years following the Distribution Date for Covered Personnel located in Newark, Delaware, Reston, Virginia, Newton, Massachusetts or Fishers, Indiana and (ii) one year following the Distribution Date for Covered Personnel located in any other location.

#### 5.6 Cooperation.

(a) *Third Party TSA Obligations*. Each of Navient and SLM BankCo shall use commercially reasonable efforts to assist and coordinate with the other Party to perform the obligations identified in the Transition Services Agreement under certain third party transition services agreements and other matters that may arise in connection with the sale of the Campus Solutions and UII businesses.

(b) *First Look*. For a period of two years following the Effective Time (the “First Look Period”), each of Navient and SLM BankCo (as applicable, the “Offering Party”) will first share with the other Party products or services (excluding products and services offered by Effective Time Sallie Mae, contemplated by the business plan of such Party approved by the Existing SLM Board in October 2013 prior to the Effective Time or contemplated by the Joint Marketing Agreement) that (i) the Offering Party intends to market broadly to its customers or other businesses in concert with or through one or more third parties or to obtain from a third party (other than, in each case, a third party that is a Governmental Authority) and (ii) with respect to which the Offering Party reasonably determines that an opportunity exists for the other Party to participate with the Offering Party or provide such products or services (each, an “Eligible Offering”). The Offering Party shall provide the other Party with a reasonably detailed summary of the Eligible Offering, including a description of the opportunity envisioned by the Offering Party to be provided to the other Party, which may include (in the sole discretion of the Offering Party) a good faith estimate of the compensation to be provided to the other Party in connection with such opportunity. Notwithstanding the foregoing, the First Look Period shall be deemed commensurate with the Non-Competition Period for purposes of (i) a Party’s compliance with its obligations pursuant to Section 5.4(e) with respect to Permitted Government Education Loans and (ii) SLM BankCo’s compliance with its obligations pursuant to Section 5.4(f) with respect to Large New Government Education Loans.

5.7 Non-Disparagement. During the Non-Competition Period, each of SLM BankCo and Navient agree (and will cause the members of its respective Group and its and their employees acting in their capacity as employees) not to make written statements that are disparaging to the other Party or any member of such other Party’s Group, unless reasonably required in response to any legal process or subpoena, to comply with Law or otherwise in connection with the enforcement of this Agreement or any Ancillary Agreement. If a Party is acquired in a transaction contemplated by Section 5.4(g)(i)(D) or Section 5.4(g)(ii)(C), the provisions of this Section 5.7 shall apply to both Parties for the remainder of the Applicable Non-Competition Period and no longer.

5.8 IT Transition. Prior to the Effective Time, SLM BankCo and Navient will enter into the Transition Services Agreement to, among other things, (i) facilitate the separation and migration of SLM BankCo Information, SLM BankCo Intellectual Property, SLM BankCo Software, SLM BankCo Technology, SLM BankCo Systems, the ATLAS Software and any IT hardware included within the SLM BankCo Assets into an independent IT environment operated by or for the benefit of SLM BankCo, (ii) duplicate and transfer the Navient Licensed Materials and the SMI Licensed IP into such IT environment, and (iii) facilitate the transfer of operational responsibility to SLM BankCo for SLM BankCo's systems and capabilities responsible for the servicing and collection functions of the Pre-Separation Consumer Banking Business (the "IT Transition"). As part of the IT Transition and pursuant to the Transition Services Agreement, (x) Navient shall provide SLM BankCo with access to Navient's IT environment (including the Navient Licensed Materials, SMI Licensed IP, SLM BankCo Information, SLM BankCo Intellectual Property, SLM BankCo Software, the ATLAS Software and SLM BankCo Technology hosted thereon) to enable SLM BankCo to operate the Pre-Separation Consumer Banking Business in the ordinary course, (y) Navient shall host and operate the SLM BankCo Systems for the benefit of SLM BankCo, and (z) Navient and SLM BankCo shall perform the IT migration projects and related activities specified for each such party, respectively, in the Transition Services Agreement as required to transition the Navient Licensed Materials, SMI Licensed IP, SLM BankCo Information, SLM BankCo Intellectual Property, SLM BankCo Technology, SLM BankCo Software, the SLM BankCo Systems, the ATLAS Software, and any IT hardware included within the SLM BankCo Assets into an independent SLM BankCo IT environment.

#### 5.9 Restrictions on ATLAS; ATLAS Development Projects

(a) Each Party in its respective capacity as a joint owner of the ATLAS Software covenants and agrees that neither it, nor any member of the SLM BankCo Group or Navient Group, as applicable, shall sell, assign, license, sublicense, distribute, rent, lease or in any way transfer the ATLAS Software to any third party other than pursuant to a transaction contemplated by Section 5.4(g)(i)(D) or Section 5.4(g)(ii)(C), without the written consent of the other Party; provided, however, that (i) either Party may license the ATLAS Software to a Governmental Authority (other than a private or state institution of higher learning (*e.g.*, school, college, university)) pursuant to an agreement with such Governmental Authority if the grant of such license is required by applicable Law or published procurement policy of such Governmental Authority, and (ii) either Party may grant a perpetual, nontransferable, nonassignable, nonsublicenseable license to the ATLAS Software in connection with the sale or disposition of all or substantially all of the assets comprising a line of business then-using the ATLAS Software (or an entity comprising such line of business) to the acquiror of such entity or assets comprising such line of business solely for use by such acquiror to perform the applicable line of business.

(b) Following the Effective Time, the Parties intend to undertake certain application development projects related to the ATLAS Software that are agreed by SLM BankCo and Navient in writing (“ATLAS Development Projects”). Upon successful testing of the ATLAS System following completion of the later of the ATLAS Development Projects or the end of the Preferred Stock Period, SLM BankCo shall grant to Navient an undivided joint ownership interest in all materials created pursuant to the ATLAS Development Projects (“Joint Materials”). All Joint Materials shall be provided on an “AS IS” basis and without warranty of any kind. During the pendency of the ATLAS Development Projects, SLM BankCo shall grant Navient “view only” access to the Joint Materials stored on the applicable SLM BankCo or Navient development systems. Further, during the pendency of the ATLAS Development Projects, SLM BankCo shall use commercially reasonable efforts to deliver a copy of then-current Joint Materials within 90 days from the receipt of Navient’s request; provided, however, (i) that Navient may make such request only once per consecutive three-month period, and (ii) SLM BankCo’s efforts to deliver the Joint Materials within the 90-day period time do not adversely affect the IT Transition. Upon any such interim delivery of Joint Materials to Navient, SLM BankCo shall grant Navient an undivided joint ownership interest in such Joint Materials as and when such copies are made, on an “AS IS” basis and without warranty of any kind. Each Party shall, without limitation, have and retain the right to make, have made, use, lease, import, offer for sale, or sell, have sold and practice methods used in the creation or provision of products or services that incorporate the Joint Materials to the extent that such actions do not infringe upon the intellectual property rights of the other Party. Each Party shall retain the right to grant non-exclusive licenses to any Intellectual Property in the Joint Materials without any payment or accounting to the other Party. For the avoidance of doubt, each Party shall solely own all derivative works created thereafter by such Party without accounting to the other, including derivative works in the Joint Materials. Each Party in its respective capacity as a joint owner of the Joint Materials acknowledges and agrees that the Joint Materials shall be expressly subject to the restrictions provided in paragraph (a) above, and neither Navient nor SLM BankCo, nor any member of the SLM BankCo Group or Navient Group, as applicable, shall sell, assign, license, sublicense, distribute, rent, lease or in any way transfer the Joint Materials to any third party other than pursuant to a transaction contemplated by Section 5.4(g)(i)(D) or Section 5.4(g)(ii)(C), without the written consent of the other Party; provided, however, that (x) either Party may license the Joint Materials to a Governmental Authority (other than a private or state institution of higher learning (*e.g.*, school, college, university)) pursuant to an agreement with such Governmental Authority if the grant of such license is required by applicable Law or published procurement policy of such Governmental Authority, and (y) either Party may grant a perpetual, nontransferable, nonassignable, nonsublicenseable license to the Joint Materials in connection with the sale or disposition of all or substantially all of the assets

comprising a line of business then-using the ATLAS Software (or an entity comprising such line of business) to the acquiror of such entity or assets comprising such line of business solely for use by such acquiror to perform the applicable line of business.

5.10 Delivery of Navient Licensed Systems. SLM BankCo and Navient each acknowledge and agree that the Intellectual Property, Software and Technology included in the Navient Licensed Systems will not be delivered to SLM BankCo on the Distribution Date. Upon SLM BankCo's request and until the end of the Preferred Stock Period, Navient shall use commercially reasonable efforts to provide such Intellectual Property, Software and Technology in accordance with the delivery timeframe requested by SLM BankCo. If Navient is unable to provide such Intellectual Property, Software and Technology in accordance with the requested timeframe without adversely affecting the Services provided under Schedule 1 to the Transition Services Agreement or the Excluded SMI Projects, then the Parties will create a new Project under such Schedule 1, and using the rates provided therein, to address such delivery efforts.

## ARTICLE VI EXCHANGE OF INFORMATION; CONFIDENTIALITY

6.1 Agreement for Exchange of Information; Archives. Subject to Section 6.4 and to Section 6.9 and any other applicable confidentiality obligations, for a period of seven years following the Effective Time, each of SLM BankCo and Navient, on behalf of its respective Group, agrees to allow representatives of the other Group reasonable access during normal business hours to, [or to provide], any Information in the possession or under the control of such respective Group as of the Effective Time which the requesting Party reasonably needs (a) to comply with reporting, disclosure, filing or other requirements imposed on the requesting Party (including under applicable securities or Tax Laws) by a Governmental Authority having jurisdiction over the requesting party, (b) for use in any other judicial, regulatory, administrative, tax or other proceeding or in order to satisfy audit, accounting, claims, regulatory, tax or other similar requirements, in each case other than claims or allegations that one Party to this Agreement has against another Party or a member of its respective Group, (c) subject to the foregoing clause (b), to comply with its obligations under this Agreement or any Ancillary Agreement, or, (d) with respect to Information stored at a third party site, subject to the foregoing clause (b), for the requesting Party's ordinary business purposes; provided, however, that, in the event that any Party determines that any such provision of Information could be commercially detrimental, violate any Law or agreement or waive any privilege otherwise available under applicable Law, including attorney-client privilege, the Parties shall take all reasonable measures to permit the compliance with such obligations in a manner that avoids any such harm or consequence, but if such measures are not reasonably possible, then such Party shall not be required to provide such Information.

6.2 Ownership of Information. Any Information owned by one Group that is provided to a requesting Party pursuant to Section 6.1 or Section 6.8 shall be deemed to remain the property of the providing Party. Unless specifically set forth herein, nothing contained in this Agreement or any Ancillary Agreement shall be construed as granting or conferring rights of license or otherwise in any such Information.

6.3 Compensation for Providing Information. The Party requesting Information agrees to reimburse the other Party for the reasonable costs, if any, of creating, gathering and copying such Information, to the extent that such costs are incurred for the benefit of the requesting Party. Except as may be otherwise specifically provided elsewhere in this Agreement, any Ancillary Agreement or any other agreement between the Parties, such costs shall be computed in accordance with the providing Party's standard methodology and procedures.

6.4 Record Retention. To facilitate the possible exchange of Information pursuant to this Article VI and other provisions of this Agreement or any applicable Ancillary Agreement after the Effective Time, the Parties agree to use their reasonable best efforts to retain all Information in their respective possession or control on the Effective Time in accordance with the record retention policies of Effective Time Sallie Mae as in effect as of the Effective Time. No Party will destroy, or permit any of its Subsidiaries to destroy, any Information which another Party may have the right to access [or obtain] pursuant to this Agreement or any Ancillary Agreement prior to the end of the retention period set forth in such record retention policies without first notifying the other Party of the proposed destruction and giving the other Party a reasonable opportunity to take possession of such information prior to such destruction. Notwithstanding the foregoing, Section 6.1 of the Tax Sharing Agreement will govern the retention of Tax Records (as defined in the Tax Sharing Agreement) and Section 2.4 of the Employee Matters Agreement will govern the retention of Employee Records (as defined in the Employee Matters Agreement).

6.5 Limitations of Liability. No Party shall have any liability to any other Party if any Information is destroyed in accordance with the applicable record retention policies referenced in Section 6.4 or after reasonable best efforts by such Party to comply with the provisions of Section 6.4.

6.6 Other Agreements Providing for Exchange of Information. The rights and obligations granted under this Article VI are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange, retention or confidential treatment of Information set forth in any Ancillary Agreement.

6.7 In-House Lawyers and Other Legal Staff.

(a) In-house lawyers employed by Existing SLM and its Affiliates (the "Existing SLM Lawyers") have for many years provided legal services to and jointly represented Existing SLM and its Subsidiaries and Affiliates, including Subsidiaries conducting the Pre-Separation Education Loan Management Business and the Pre-Separation Consumer Banking Business. After the Effective Time, certain of those Existing SLM Lawyers will remain employees of one or more members of the Navient

Group and represent the Navient Group ("Navient Counsel"). Others will resign from their positions with members of the Navient Group, and become employees of one or more members of the SLM BankCo Group and provide legal services to and represent only the SLM BankCo Group ("SLM BankCo Counsel"). After the Effective Time, (i) SLM BankCo Counsel will represent only the SLM BankCo Group, (ii) Navient Counsel will represent only the Navient Group, and (iii) SLM BankCo Counsel and Navient Counsel will owe a duty of loyalty and other professional obligations only to their respective clients.

(b) The Parties have previously been jointly represented by the Existing SLM Lawyers in various legal matters of common interest. This joint representation existed at all times before the Effective Time. The joint representation included in its scope all matters prior to the Effective Time in which a Party or another member of its Group was represented by any of the Existing SLM Lawyers. The Parties agree that a joint representation privilege applies to such joint representation.

(c) After the Effective Time, the SLM BankCo Group and the Navient Group will both continue to jointly own and control all privileges relating to all documents and Information created prior to the Effective Time as a result of the representation of any Party or any member of its respective Group by the Existing SLM Lawyers, and the Parties agree that the Separation shall not waive or affect any applicable privileges, including the attorney-client privilege, the litigation work product doctrine, the common interest privilege and the joint-client/joint representation privilege.

(d) In advance of the Effective Time, the Parties agree to cause the Existing SLM Lawyers to endeavor to separate all legal files, documents and electronic information created prior to the Effective Time (the "Legal Materials") relating primarily to the Pre-Separation Education Loan Management Business from those relating primarily to the Pre-Separation Consumer Banking Business and deliver them at or after the Effective Time into the possession of the appropriate Party or member of its Group to which they relate. All such Legal Materials not separated as of the Effective Time shall be deemed "Joint Legal Materials." Both Navient Counsel and SLM BankCo Counsel will have the right, after the Effective Time, (i) to access, review and duplicate all Joint Legal Materials in the possession of the other that relate to their respective legal matters and (ii) only with the consent of the other Party, to separate and take sole possession of Joint Legal Materials relating solely to either the Pre-Separation Education Loan Management Business or the Pre-Separation Consumer Banking Business. Both SLM BankCo Counsel and Navient Counsel shall maintain and continue their respective Group's compliance with all litigation holds applicable to any Legal Materials or Joint Legal Materials they possess or come to possess.

(e) The Parties acknowledge that the Legal Materials and Joint Legal Materials are products of the joint representation by the Existing SLM Lawyers and are

privileged from disclosure to others as a result of the attorney-client privilege, the litigation work product doctrine, the common interest/joint defense privilege, the joint-client/joint representation privilege and other applicable privileges and protections. Neither the SLM BankCo Group nor the Navient Group shall have any right, ability or authority to waive any such privilege or protection on behalf of the other, nor shall any waiver of any applicable privilege or protection by one be effective or applicable to the other.

(f) Unless and until the Parties agree in writing to waive any and all claims of privilege over any portion of the Legal Materials or Joint Legal Materials, the Parties shall assert all applicable privileges to resist production of any Legal Materials or Joint Legal Materials requested by any third party. If any third party requests or demands, by subpoena or otherwise, any Legal Materials or Joint Legal Materials, the Party (which for purposes of this section includes any member of its Group) which has received the request or demand shall immediately notify the other Party in writing. Each Party will then take all reasonable steps necessary to preserve all applicable rights and privileges with respect to such Legal Materials or Joint Legal Materials and shall cooperate fully with the other in any proceedings relating to the disclosure of such Legal Materials or Joint Legal Materials. Each Party has standing to enforce claims of privilege or similar grounds for withholding disclosure in response to any request or demand for the production of Legal Materials or Joint Legal Materials. In the event that any Party is served with or otherwise subject to legal process (including a subpoena) requiring it to testify about, produce or otherwise divulge Legal Materials or Joint Legal Materials, the Party subject to such process will (i) promptly supply the other Party with a copy of such subpoena or process; (ii) assert all applicable privileges, protections and objections; (iii) not waive any such privilege; and (iv) make every other reasonable effort to prevent or limit disclosure of the Legal Materials or Joint Legal Materials.

(g) Nothing contained in this Agreement shall limit the right of any Party to use or disclose (i) documents or information generated by any member of its Group after the Effective Time (unless such documents or information contain information from the Legal Materials or Joint Legal Materials) or (ii) documents or information that are now, or hereafter become, public information without violation of this Agreement.

(h) The Parties acknowledge that the SLM BankCo Group and the Navient Group may have or develop interests adverse to each other following the Effective Time. Each Party hereby waives (i) any and all current and future objections to SLM BankCo Counsel, Navient Counsel and any outside counsel that represented Existing SLM or any of its Affiliates prior to the Effective Time from continuing to represent or in the future representing their respective clients in any matter, including matters in which the SLM BankCo Group and the Navient Group are adverse and disputes relating to this Agreement, and (ii) all current and future rights to seek disqualification, whether based on the possession or disclosure of confidential information or otherwise, of any of the



SLM BankCo Counsel, Navient Counsel and such outside counsel from any representation of their clients in any matter, including matters in which the SLM BankCo Group and the Navient Group are adverse and disputes relating to this Agreement. If a dispute arises between or among the Parties (or members of their respective Groups) in the future, no Party may assert privilege against the other as to any Legal Materials or Joint Legal Materials created before the Effective Time, and both Parties shall be free to make use of such materials for the purpose of advancing their interests in such dispute.

(i) The Parties acknowledge that disclosure of any Legal Materials or Joint Legal Materials in violation of this Agreement, or in violation of the continuing duty to maintain the confidentiality of Legal Materials or Joint Legal Materials, will cause the Parties to suffer irreparable harm for which there is no adequate remedy at law, and that immediate injunctive relief without the necessity of posting a bond is an appropriate and necessary remedy for any such violation or threatened violation, in addition to other remedies and relief that might be available at law or equity.

(j) SLM BankCo and Navient shall, and shall seek to cause SLM BankCo Counsel and Navient Counsel and their respective outside counsel to, cooperate with each other and take all necessary or reasonably desirable actions to effect the foregoing provisions. The provisions of this Section 6.7 shall survive the Effective Time and remain in effect forever.

#### 6.8 Production of Witnesses; Records; Cooperation.

(a) Subject to Section 6.7, after the Effective Time, except in the case of an adversarial suit or proceeding by one Party against another Party, each Party shall use its commercially reasonable efforts to make available to the other Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses within its control or which it otherwise has the ability to make available, to the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) may reasonably be required in connection with any suit or proceeding in which the requesting Party may from time to time be involved, regardless of whether such suit or proceeding involves a matter with respect to which indemnification may be sought hereunder. The requesting Party shall bear all costs and expenses in connection therewith.

(b) If an Indemnifying Party chooses to defend or to seek to compromise or settle any Third Party Claim, the other Party shall make available to such Indemnifying Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses within its control or which it otherwise has the ability to make available, to

the extent that any such person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) may reasonably be required in connection with such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be, and shall otherwise cooperate in such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be.

(c) Without limiting the foregoing, the Parties shall cooperate and consult to the extent reasonably necessary with respect to any Actions.

(d) Without limiting any provision of this Section 6.8, each of the Parties agrees to cooperate, and to cause each member of its respective Group to cooperate, with each other in the defense of any infringement or similar claim with respect to any Intellectual Property and shall not claim to acknowledge, or permit any member of its respective Group to claim to acknowledge, the validity or infringing use of any Intellectual Property of a third Person in a manner that would hamper or undermine the defense of such infringement or similar claim.

(e) The obligation of the Parties to provide witnesses pursuant to this Section 6.8 is intended to be interpreted in a manner so as to facilitate cooperation and shall include the obligation to provide as witnesses inventors and other officers without regard to whether the witness or the employer of the witness could assert a possible business conflict (subject to the exception set forth in the first sentence of Section 6.8(a)).

(f) In connection with any matter contemplated by this Section 6.8, except in the case of an adversarial suit or proceeding by one Party against the other Party, the Parties will enter into a mutually acceptable joint defense agreement so as to maintain to the extent practicable any applicable attorney-client privilege or work product immunity of any member of either Group.

#### 6.9 Confidentiality.

(a) Subject to Section 6.10, until the seven-year anniversary of the Effective Time, each of SLM BankCo and Navient, on behalf of itself and each member of its respective Group, agrees to hold, and to cause its respective Representatives to hold, in strict confidence, with at least the same degree of care that applied to Existing SLM's confidential and proprietary information pursuant to policies in effect immediately prior to the Distribution Date, all Information concerning each such other Group or its customers ("Group Information") that is either in its possession (including Information in its possession prior to the date hereof) or furnished by any such other Group or its respective Representatives at any time pursuant to this Agreement, any Ancillary Agreement or otherwise, and shall not use any such Group Information other than for such purposes as shall be expressly permitted hereunder or thereunder, except,

in each case, to the extent that such Group Information has been (i) in the public domain through no fault of such Party or any member of such Group or any of their respective Representatives, (ii) later lawfully acquired from other sources by such Party (or any member of such Party's Group) which sources are not themselves bound by a confidentiality obligation or (iii) independently generated without reference to any proprietary or confidential Information of the other Party; *provided, however*, that with respect to Group Information that relates to a Group's customers, the obligations of each Party under this Section 6.9 shall continue for so long as such information is in the possession of such Party or any of its Subsidiaries, Affiliates or Representatives.

(b) Each Party agrees not to release or disclose, or permit to be released or disclosed, any Group Information to any other Person, except its Representatives who need to know such Information (who shall be advised of their obligations hereunder with respect to such Information), except in compliance with Section 6.10 or with the written consent of the other Party. Without limiting the foregoing, when any Group Information is no longer needed for the purposes contemplated by this Agreement or any Ancillary Agreement, each Party will promptly after request of the other Party either return to the other party all Group Information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or certify to the other Party that it has destroyed such Group Information (and such copies thereof and such notes, extracts or summaries based thereon).

**6.10 Protective Arrangements.** In the event that any Party or any member of its Group either determines on the advice of its counsel that it is required to disclose any Group Information pursuant to applicable Law or receives any demand under lawful process or from any Governmental Authority to disclose or provide Group Information of any other Party (or any member of another Party's Group) that is subject to the confidentiality provisions hereof, such Party shall, promptly upon receipt of a request for disclosure of any Information, notify the other Party (to the extent legally permitted) prior to disclosing or providing such Group Information and shall cooperate at the expense of the requesting Party in seeking any reasonable protective arrangements requested by the requesting Party. Subject to the foregoing, the Person that received such request may thereafter disclose or provide only that portion of Group Information that is legally required by such Law (as so advised by counsel) or by lawful process or such Governmental Authority.

## ARTICLE VII GOVERNANCE AND DISPUTE RESOLUTION

### 7.1 Program Managers; Separation Oversight Committee.

#### (a) *Program Managers.*

(i) Navient shall appoint an individual to act as its program manager (the "Navient Program Manager"), who will have overall responsibility for

implementing, coordinating, tracking and managing all activities (including billing and payment activities) under this Agreement and each Ancillary Agreement and have authority to act on behalf of Navient with respect to such matters, for a period of three years following the Effective Time. Navient hereby appoints and designates the individual set forth on Schedule 7.1(a) to act as the initial Navient Program Manager. Navient shall promptly notify SLM BankCo in writing of its removal and replacement of the Navient Program Manager.

(ii) SLM BankCo shall appoint an individual to act as its program manager (the “SLM BankCo Program Manager,” and together with the Navient Program Manager, the “Program Managers”), who will have overall responsibility for implementing, coordinating, tracking and managing all activities (including billing and payment activities) under this Agreement and each Ancillary Agreement and have authority to act on behalf of SLM BankCo with respect to such matters, for a period of three years following the Effective Time. SLM BankCo hereby appoints and designates the individual set forth on Schedule 7.1(a) to act as the initial SLM BankCo Program Manager. SLM BankCo shall promptly notify Navient in writing of the removal and replacement of the SLM BankCo Program Manager. SLM BankCo may remove and/or replace the SLM BankCo Program Manager in its sole discretion.

(iii) During the period from the Effective Time until the two-year anniversary of the Effective Time (the “Separation Oversight Period”), each of the Navient Program Manager and the SLM BankCo Program Manager shall deliver to the Separation Oversight Committee, no less frequently than monthly, such reports regarding the activities under this Agreement and the Ancillary Agreements as the Navient Program Manager or the SLM BankCo Program Manager shall deem appropriate or as may otherwise be requested from time to time by the Separation Oversight Committee.

(iv) Following the expiration of the Separation Oversight Period, (A) the Navient Program Manager will periodically report to and update the Chief Executive Officer of Navient with respect to matters relating to this Agreement and the Ancillary Agreements and (B) the SLM BankCo Program Manager will periodically report to and update the Chief Executive Officer of SLM BankCo with respect to matters relating to this Agreement and the Ancillary Agreements.

(b) *Separation Oversight Committee.*

(i) The Parties have established a six member separation oversight committee (the “Separation Oversight Committee”), which shall consist of an equal number of members designated by each of SLM BankCo and Navient. The initial members of the Separation Oversight Committee are set forth on Schedule 7.1(b). SLM BankCo may remove and/or replace any SLM BankCo designee to the Separation Oversight Committee, in its sole discretion, and shall promptly notify Navient of any such removal and/or replacement. Navient may remove

and/or replace any Navient designee to the Separation Oversight Committee, in its sole discretion, and shall promptly notify SLM BankCo of any such removal and/or replacement. The Separation Oversight Committee shall be responsible, during the Separation Oversight Period, for monitoring and managing, at a strategic level, progress on all matters related to transactions and activities that are to occur after the Effective Time as contemplated by this Agreement and the Ancillary Agreements.

(ii) The Separation Oversight Committee shall meet (in person or telephonically) no less frequently than monthly. The Separation Oversight Committee shall have the authority to (a) establish one or more subcommittees from time to time as it deems appropriate or as may be contemplated pursuant to any Ancillary Agreement, with each such subcommittee comprised of one or more members of the Separation Oversight Committee or one or more employees of either Party or any member of its respective Group, and each such subcommittee having such scope of responsibility as may be determined by the Separation Oversight Committee from time to time; (b) delegate to any such committee any of the responsibilities of the Separation Oversight Committee; (c) combine, modify the scope of responsibility of, and disband any such subcommittees and (d) modify or reverse any such delegations. The Separation Oversight Committee may establish general procedures for managing the responsibilities assigned to it under this Section 7.1 and may modify such procedures from time to time.

(iii) All decisions by the Separation Oversight Committee or any subcommittee thereof shall be effective only if agreed to by a majority of the members designated by each of SLM BankCo and Navient.

(iv) The Navient members of the of the Separation Oversight Committee shall (i) during the Separation Oversight Period, periodically report to and update the Chief Executive Officer of Navient on the progress of the separation and with respect to other matters relating to this Agreement and the Ancillary Agreements and (ii) during the Preferred Stock Period, periodically (but no less frequently than quarterly) report to and update the SMI Board on the progress of the IT Transition. During the Separation Oversight Period, the SLM BankCo members of the Separation Oversight Committee will periodically report to and update the Chief Executive Officer of SLM BankCo on the progress of the separation and with respect to other matters relating to this Agreement and the Ancillary Agreements.

## 7.2 Escalation Process; Good Faith Negotiation.

(a) *Escalation Process During the Separation Oversight Period.*

(i) The Navient Program Manager and the SLM BankCo Program Manager shall attempt in good faith to negotiate a resolution to any issues, disputes, controversies or claims arising out of or relating to this Agreement or any Ancillary Agreement (including matters relating to each Party's rights or the performance of obligations under this Agreement or any Ancillary Agreement or regarding whether any Assets are Navient Assets or SLM BankCo Assets, any Liabilities are Navient Liabilities or SLM BankCo Liabilities) (each, a "Dispute") within five business days of written notice of any such Dispute (a "Dispute Notice") being delivered by one Program Manager to the other Program Manager.

(ii) During the Separation Oversight Period, the Navient Program Manager and the SLM BankCo Program Manager shall escalate to the Separation Oversight Committee any Dispute that cannot be resolved by the Program Managers within five business days following delivery of a Dispute Notice. The Separation Oversight Committee shall attempt in good faith to negotiate a resolution of each Dispute escalated by the Program Managers.

(iii) If any Dispute is not resolved by the Separation Oversight Committee within 10 business days following escalation of such Dispute to the Separation Oversight Committee, (A) the Navient members of the Separation Oversight Committee shall consult with (x) as to any Dispute that arises out of or related to the IT Transition, the SMI Board and (y) as to all other Disputes, the Navient Board (or a committee thereof appointed for such purpose), which in each case may direct the Navient members how to proceed with respect to such Dispute, and (B) the SLM BankCo members of the Separation Oversight Committee shall consult with the SLM BankCo Board (or a committee thereof appointed for such purpose), which may direct the SLM BankCo members how to proceed with respect to such Dispute.

(iv) If any Dispute remains unresolved for any reason for a period of 15 business days following escalation of such Dispute to the Separation Oversight Committee, or if a Party reasonably concludes that the other Party is not willing to negotiate as contemplated by this Section 7.2, the Dispute may be submitted to the dispute resolution procedures in accordance with Section 7.3 or Section 10.13.

*(b) Escalation Process Following the Separation Oversight Period.*

(i) The Navient Program Manager and the SLM BankCo Program Manager shall attempt in good faith to negotiate a resolution to each Dispute within five business days of a Dispute Notice being delivered by one Program Manager to the other Program Manager.

(ii) If any Dispute is not resolved by the Program Managers within five business days following delivery of a Dispute Notice, (A) the Navient Program Manager shall consult with the Navient Board (or a committee thereof appointed for such purpose),

which may direct the Navient Program Manager how to proceed with respect to such Dispute and (B) the SLM BankCo Program Manager shall consult with the SLM BankCo Board (or a committee thereof appointed for such purpose), which may direct the SLM BankCo Program Manager how to proceed with respect to such Dispute.

(iii) If any Dispute remains unresolved for any reason for a period of 15 business days following delivery of a Dispute Notice or if a Party reasonably concludes that the other Party is not willing to negotiate as contemplated by this Section 7.2, the Dispute may be submitted to the dispute resolution procedures in accordance with Section 7.3 or Section 10.13.

(c) *Status of Discussions*. All negotiations contemplated by this Section 7.2 shall be confidential and shall be treated by the Parties as compromise and settlement negotiations for purposes of applicable rules of evidence.

### 7.3 Dispute Resolution.

(a) *Dispute Resolution*. Except as otherwise specifically provided in Section 7.2 or Section 7.3(c) or in any Ancillary Agreement, or in the case where a Party elects to resolve a Specific Dispute as contemplated by Section 10.13, the procedures for binding mediation set forth in this Section 7.3 and Schedule 7.3<sup>1</sup> shall apply to all Disputes (whether sounding in contract, tort or otherwise) that may arise out of or relate to, or arise under or in connection with this Agreement or any Ancillary Agreement or the transactions contemplated hereby or thereby, between or among any members of the Navient Group and the SLM BankCo Group. Each Party agrees on behalf of itself and the members of its Group that the procedures set forth in Section 7.3(b) and Schedule 7.3 shall be the sole and exclusive remedy in connection with any such Dispute and irrevocably waives any right to commence any suit or proceeding in or before any Governmental Authority or mediation or arbitration tribunal, except as expressly provided in Section 7.3(c), Section 7.3(d) or Section 10.13 and except to the extent provided under the Arbitration Act in the case of judicial review of arbitration results or awards. EXCEPT AS EXPRESSLY PROVIDED IN SECTION 7.3(d) OR SECTION 10.13, EACH PARTY ON BEHALF OF ITSELF AND EACH MEMBER OF ITS GROUP IRREVOCABLY WAIVES ANY RIGHT TO ANY TRIAL IN A COURT THAT WOULD OTHERWISE HAVE JURISDICTION OVER ANY CLAIM, CONTROVERSY OR DISPUTE SET FORTH IN THE FIRST SENTENCE OF THIS SECTION 7.3(a). All dispute resolution proceedings pursuant to this Section 7.3 shall be confidential and shall not be disclosed by any Party (other than disclosure to its advisors or to the extent disclosure is permitted pursuant to Section 6.10) and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence.

<sup>1</sup> Schedule 7.3 to provide detailed provisions relating to qualifications, selection, procedures, timing, hearings, discovery and other matters.

(b) Binding Mediation. Except as provided in Section 7.3(c) with respect to an Arbitrable Matter or Section 10.13 with respect to a Specified Dispute, any Dispute not resolved pursuant to Section 7.2 shall, at the written request of any Party (a "Mediation Request"), which Mediation Request shall be given to the other Party in the manner set forth in Section 10.5, be submitted to binding mediation. The mediation shall be held in the State of Delaware or such other place as the Parties may mutually agree. The procedures for binding mediation shall be as set forth in Schedule 7.3. Any mediator selected pursuant to this Section 7.3(b) shall meet the qualifications set forth in Schedule 7.3 and be neutral and disinterested with respect to each of the Parties and the matter.

(c) Binding Arbitration. Any Dispute relating to the IT Transition, the ATLAS Development Projects, the Preferred Stock Period or exclusivity or marketing rights under the Joint Marketing Agreement (each, an "Arbitrable Matter") shall be submitted to binding arbitration in accordance with this Section 7.3(c). If an Arbitrable Matter is not resolved in accordance with Section 7.2, either Navient or SLM BankCo may, unless the Applicable Deadline (as hereinafter defined) has occurred, make a written demand (the "Arbitration Demand Notice") that the Dispute be resolved by binding arbitration, which Arbitration Demand Notice shall be given to the other Party in the manner set forth in Section 10.5. If either Party shall deliver an Arbitration Demand Notice, the other Party may itself deliver an Arbitration Demand Notice to such first Party with respect to any related Dispute with respect to which the Applicable Deadline has not passed without the requirement of first delivering a Dispute Notice as contemplated by Section 7.2. If either Party delivers an Arbitration Demand Notice with respect to any Dispute that is the subject of any then pending arbitration proceeding or of a previously delivered Arbitration Demand Notice, all such Disputes shall be resolved in the arbitration proceeding for which an Arbitration Demand Notice was first delivered unless the arbitrator in his or her sole discretion determines that it is impracticable or otherwise inadvisable to do so.

(i) Except as may be expressly provided in any Ancillary Agreement, any Arbitration Demand Notice may be given until two years after the later of (i) the occurrence of the act or event giving rise to the Dispute and (ii) the date on which such act or event was, or should have been, in the exercise of reasonable due diligence, discovered by the Party asserting the Dispute (as applicable and as it may in a particular case be specifically extended by the Parties in writing, the "Applicable Deadline"). Any discussions, negotiations or mediation between the Parties pursuant to this Agreement or otherwise will not toll the Applicable Deadline unless expressly agreed in writing by the Parties. Each Party agrees, on behalf of itself and the members of its respective Group, that, if an Arbitration Demand Notice with respect to a Dispute is not given prior to the expiration of the Applicable Deadline, such Dispute will be barred. Subject to Section 7.3(d), upon delivery of an Arbitration Demand Notice pursuant to Section 7.3(c) prior to the Applicable Deadline, the Dispute shall be decided by one or more arbitrators in accordance with the rules set forth in this Section 7.3 and Schedule 7.3.



(ii) Except as otherwise set forth in this Section 7.3 and Schedule 7.3, any arbitration hereunder will be conducted in accordance with the American Arbitration Association (the “AAA”) Commercial Arbitration Rules and Procedures then prevailing; provided, however, that to the extent that the provisions of this Agreement and the prevailing rules of the AAA conflict, the provisions of this Agreement (including this Section 7.3 and Schedule 7.3) shall govern. Unless the Parties otherwise agree, any such arbitration shall be conducted by and before a single arbitrator. Any arbitrator selected pursuant to this Section 7.3(c) shall be neutral and disinterested with respect to each of the Parties and the matter.

(iii) The arbitrator shall have full power and authority to determine issues of arbitrability but shall otherwise be limited to interpreting or construing the applicable provisions of this Agreement or any Ancillary Agreement, and will have no authority or power to limit, expand, alter, amend, modify, revoke or suspend any condition or provision of this Agreement or any Ancillary Agreement; it being understood, however, that the arbitrator will have full authority to implement the provisions of this Agreement or any Ancillary Agreement and to fashion appropriate remedies for breaches of this Agreement (including interim or permanent injunctive relief); provided, however, that the arbitrator shall not have (i) any authority in excess of the authority a court having jurisdiction over the Parties and the controversy or dispute would have absent these arbitration provisions or (ii) any right or power to award exemplary, punitive, special, indirect, consequential, remote or speculative damages (including in respect of lost profits or revenues) or treble damages, except to the extent such damages are expressly permitted by the terms of this Agreement or any Ancillary Agreement; provided, that this clause (ii) shall not limit the award of any such damages to the extent they are included in any Liabilities to third parties as to which the provisions of this Article VII are applicable. It is the intention of the Parties that in rendering a decision the arbitrator gives effect to the applicable provisions of this Agreement and the Ancillary Agreements and follow applicable Law (it being understood and agreed that this sentence shall not give rise to a right of judicial review of the award of the arbitrator).

(iv) If a Party fails or refuses to appear at and participate in an arbitration hearing after due notice, the arbitrator may hear and determine the controversy upon evidence produced by the appearing Party. Any decision rendered under such circumstances shall be as valid and enforceable as if the Parties had appeared and participated fully at all stages.

(v) Subject to Sections 4.2 and 4.3, the fees of the arbitrator and all other arbitration costs shall be borne equally by each Party involved in the matter, except that each Party shall be responsible for its own attorney’s fees and other costs and expenses, including the costs of witnesses selected by such Party.

(vi) Any arbitration award shall be an award with a holding in favor of or against a Party and shall include findings as to facts, issues or conclusions of law

(including with respect to any matters relating to the validity or infringement of patents or patent applications) and shall include a statement of the reasoning on which the award rests. The award must also be in adequate form so that a judgment of a court may be entered thereupon. Judgment upon any arbitration award hereunder may be entered in any court having jurisdiction thereof.

(vii) Any arbitration proceedings hereunder shall take place in the State of Delaware, unless another location is otherwise agreed to in writing by the Parties.

(d) Regardless of whether a Dispute Notice, Mediation Request or Arbitration Demand Notice has been delivered, prior to the time at which the mediator or arbitrator is appointed pursuant to this Section 7.3, either Party may seek one or more temporary restraining orders in a court of competent jurisdiction if necessary in order to preserve and protect the status quo. Neither the request for, nor the grant or denial of, any such temporary restraining order shall be deemed a waiver of the obligation to arbitrate as set forth herein, and the mediator or arbitrator may order the Parties to petition the court to dissolve, continue or modify any such order. Any such temporary restraining order shall remain in effect until the first to occur of the expiration of the order in accordance with its terms or the dissolution thereof.

(e) Except as required by Law, the Parties shall hold, and shall cause their respective Subsidiaries, officers, directors, employees, agents and other representatives to hold, the existence, content and result of mediation or arbitration in confidence in accordance with the provisions of this Article VII and except as may be required in order to enforce any agreement or award (other than disclosure to its advisors or to the extent disclosure is permitted pursuant to Section 6.10). Each of the Parties shall request that the mediator or arbitrator, as applicable, comply with such confidentiality requirement.

(f) The interpretation of the provisions of this Article VII, only insofar as they relate to the agreement to arbitrate and any procedures pursuant thereto, shall be governed by the Arbitration Act and other applicable U.S. federal law. In all other respects, the interpretation of this Agreement shall be governed as set forth in Section 11.2.

7.4 Continuation of Services and Commitments. Unless otherwise agreed in writing, the Parties shall, and shall cause their Subsidiaries to, continue to honor all commitments under this Agreement and each Ancillary Agreement to the extent required by such Agreements during the course of dispute resolution pursuant to the provisions of this Article VII.

## ARTICLE VIII FURTHER ASSURANCES AND ADDITIONAL COVENANTS

### 8.1 Further Assurances.

(a) In addition to the actions specifically provided for elsewhere in this Agreement, each of the Parties hereto shall use its reasonable best efforts, prior to,

on and after the Effective Time, to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or advisable under applicable Laws, regulations and agreements to consummate and make effective the transactions contemplated by this Agreement and the Ancillary Agreements.

(b) Without limiting the foregoing, prior to, on and after the Effective Time, each Party hereto shall cooperate with the other Party, and without any further consideration, but at the expense of the requesting Party, execute and deliver, or use its reasonable best efforts to cause to be executed and delivered, all instruments, including instruments of conveyance, assignment and transfer, and to make all filings with, and to obtain all Approvals or Notifications of, any Governmental Authority or any other Person under any permit, license, agreement, indenture or other instrument (including any consents or Governmental Approvals), and to take all such other actions as such Party may reasonably be requested to take by the other Party from time to time, consistent with the terms of this Agreement and the Ancillary Agreements, in order to effectuate the provisions and purposes of this Agreement and the Ancillary Agreements and the transfers of the Navient Assets and the SLM BankCo Assets and the assignment and assumption of the Navient Liabilities and the SLM BankCo Liabilities and the other transactions contemplated hereby and thereby. Without limiting the foregoing, each Party will, at the reasonable request, cost and expense of the other Party, take such other actions as may be reasonably necessary to vest in such other Party good and marketable title to the Assets allocated to such Party under this Agreement or any of the Ancillary Agreements, free and clear of any Security Interest, if and to the extent it is practicable to do so.

(c) On or prior to the Effective Time, Existing SLM, SLM BankCo and Navient in their respective capacities as direct and indirect shareholders of their respective Subsidiaries, shall each ratify any actions which are reasonably necessary or desirable to be taken by Existing SLM, SLM BankCo, Navient or any of their respective Subsidiaries, as the case may be, to effectuate the transactions contemplated by this Agreement and the Ancillary Agreements.

(d) Prior to the first anniversary of the Effective Time, if one or more of the Parties identifies any commercial or other service that is needed to assure a smooth and orderly transition of the businesses in connection with the consummation of the transactions contemplated hereby, and that is not otherwise governed by the provisions of this Agreement or any Ancillary Agreement, subject to applicable Law (including, in the case of the SLM BankCo Group, banking regulations and the advice of the SLM BankCo Group's counsel in respect thereof), the Parties will cooperate in determining whether there is a mutually acceptable arm's-length basis on which the other Party will provide such service.

ARTICLE IX  
TERMINATION

9.1 Termination. This Agreement may be terminated by the Sallie Mae Board at any time, in its sole and absolute discretion, prior to the Effective Time. After the Effective Time, this Agreement may not be terminated except by an agreement in writing signed by each of the Parties.

9.2 Effect of Termination. In the event of any termination of this Agreement prior to the Effective Time, no Party (or any of its directors or officers) shall have any liability or further obligation to any other Party.

ARTICLE X  
MISCELLANEOUS

10.1 Counterparts; Entire Agreement; Corporate Power.

(a) This Agreement and each Ancillary Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Parties.

(b) This Agreement, the Ancillary Agreements and the Exhibits, Schedules and appendices hereto and thereto contain the entire agreement among the Parties with respect to the subject matter hereof and thereof and supersede all previous agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings among the Parties other than those set forth or referred to herein or therein.

(c) SLM BankCo represents on behalf of itself and each other member of the SLM BankCo Group, and Navient represents on behalf of itself and each other member of the Navient Group, as follows:

(i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and each Ancillary Agreement to which it is a party and to consummate the transactions contemplated hereby and thereby; and

(ii) this Agreement and each Ancillary Agreement to which it is a party has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms thereof.

(d) Each Party acknowledges that it and each other Party may execute certain of the Ancillary Agreements by facsimile, stamp or mechanical signature. Each Party expressly adopts and confirms each such facsimile, stamp or mechanical signature made in its respective name as if it were a manual signature, agrees that it will not assert that any such signature is not adequate to bind such Party to the same extent as if it were signed manually and agrees that at the reasonable request of any other Party at any time it will as promptly as reasonably practicable cause each such Ancillary Agreement to be manually executed (any such execution to be as of the date of the initial date thereof).

(e) Notwithstanding any provision of this Agreement or any Ancillary Agreement, none of Existing SLM, SLM BankCo nor Navient shall be required to take or omit to take any act that would violate its fiduciary duties to any minority shareholders of any non-wholly owned Subsidiary of Existing SLM, SLM BankCo or Navient, as the case may be (it being understood that directors' qualifying shares or similar interests will be disregarded for purposes of determining whether a Subsidiary is wholly owned).

10.2 Governing Law. This Agreement and, unless expressly provided therein, each Ancillary Agreement (and any claims or disputes arising out of or related hereto or thereto or to the transactions contemplated hereby and thereby or to the inducement of any party to enter herein and therein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the Laws of the State of Delaware irrespective of the choice of laws principles of the State of Delaware including all matters of validity, construction, effect, enforceability, performance and remedies.

10.3 Assignability. Except as set forth in any Ancillary Agreement, this Agreement and each Ancillary Agreement shall be binding upon and inure to the benefit of the parties hereto and thereto, respectively, and their respective successors and permitted assigns; provided, however, that no party hereto or thereto may assign its respective rights or delegate its respective obligations under this Agreement or any Ancillary Agreement, directly or indirectly (including by sale of assets or stock or by means of a merger or consolidation) without the express prior written consent of the other parties hereto or thereto, respectively. Notwithstanding the foregoing, no such consent shall be required for the assignment of a party's rights and obligations under this Agreement or the Ancillary Agreements (except as may be otherwise provided in any such Ancillary Agreement) in whole in connection with a Change of Control of a Party so long as the resulting, surviving or transferee Person assumes all the obligations of the relevant party thereto by operation of Law or pursuant to an agreement in form and substance reasonably satisfactory to the other Party. Nothing in this Section 10.3 is intended to, or shall be construed to, prohibit either Party or any of its Subsidiaries from being party to or undertaking a Change of Control.

10.4 Third Party Beneficiaries. Except for the indemnification rights under this Agreement of any SLM BankCo Indemnitee or Navient Indemnitee in their respective capacities

as such, (a) the provisions of this Agreement and each Ancillary Agreement are solely for the benefit of the parties thereto and are not intended to confer upon any Person except the parties thereto any rights or remedies hereunder or thereunder, and (b) there are no Third Party beneficiaries of this Agreement or any Ancillary Agreement and neither this Agreement nor any Ancillary Agreement shall provide any third Person with any remedy, claim, liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement or any Ancillary Agreement.

10.5 Notices. All notices, requests, claims, demands or other communications under this Agreement and, to the extent applicable and unless otherwise provided therein, under each of the Ancillary Agreements shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile or electronic transmission with receipt confirmed or by registered or certified mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 10.5):

If to SLM BankCo, to:

SLM Corporation  
300 Continental Drive  
Newark, Delaware 19713  
Attn: General Counsel

If to Navient, to:

Navient Corporation  
300 Continental Drive  
Newark, Delaware 19713  
Attn: General Counsel

Any Party may, by notice to the other Party in accordance with this Section 10.5, change the address to which such notices are to be given.

10.6 Severability. If any provision of this Agreement or any Ancillary Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof or thereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon such a suitable and equitable provision to effect the original intent of the Parties.

10.7 Force Majeure. No Party shall be deemed in default of this Agreement or any Ancillary Agreement to the extent that any delay or failure in the performance of its obligations under this Agreement or any Ancillary Agreement results from any Force Majeure. In the event of any such excused delay, the time for performance shall be extended for a period equal to the time lost by reason of the delay.

10.8 Publicity. Prior to the Effective Time, each of Navient and SLM BankCo shall consult with each other prior to issuing any press releases or otherwise making public statements with respect to the Separation, the Distribution or any of the other transactions contemplated hereby or under any Ancillary Agreement and prior to making any filings with any Governmental Authority with respect thereto.

10.9 Expenses. Except as expressly set forth in this Agreement (including Sections 5.1, 6.3, 6.8(a), 6.10, 7.3 and 8.1(b) and Article IV) or in any Ancillary Agreement, all fees, costs and expenses incurred prior to the Effective Time in connection with the preparation, execution and delivery of this Agreement and any Ancillary Agreement, and with the consummation of the transactions contemplated hereby and thereby, will be borne by Navient.

10.10 Headings. The article, section and paragraph headings contained in this Agreement and in the Ancillary Agreements are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement or any Ancillary Agreement.

10.11 Survival of Covenants. Except as expressly set forth in this Agreement or any Ancillary Agreement, the covenants, representations and warranties contained in this Agreement and each Ancillary Agreement, and liability for the breach of any obligations contained herein, shall survive the Separation and the Distribution and shall remain in full force and effect.

10.12 Waivers of Default. Waiver by any Party of any default by the other Party of any provision of this Agreement or any Ancillary Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default, nor shall it prejudice the rights of the other Party. No failure or delay by any Party in exercising any right, power or privilege under this Agreement or any Ancillary Agreement shall operate as a waiver thereof, nor shall a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege.

10.13 Specific Performance; Resolution of Certain Disputes. Subject to the provisions of Article VII, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement or any Ancillary Agreement, the Party or Parties who are, or are to be, thereby aggrieved shall have (i) the right to specific performance and injunctive or other equitable relief, including with respect to any Specified Dispute and the right to implead a Party into an action, suit or proceeding relating to a Third Party Claim, in respect of its or their rights under this Agreement or such Ancillary Agreement and (ii) the right to bring an action, suit or proceeding to resolve any Specified Dispute, in addition to any and all

other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that the remedies at law for any breach or threatened breach, including monetary damages, are inadequate compensation for any loss and that any defense in any action for specific performance that a remedy at law would be adequate is waived. Any requirements for the securing or posting of any bond with such remedy are waived by each of the Parties. For purposes of this Agreement, a “Specified Dispute” shall mean (i) any dispute relating to indemnification for Losses resulting from Navient Liabilities described in Section 2.3(a)(ii)(A), Section 2.3(a)(ii)(B), Section 2.3(a)(ix), Section 2.3(a)(x) or Section 2.3(a)(xi), (ii) any dispute relating to indemnification for Losses resulting from SLM BankCo Liabilities described in Section 2.3(b)(i) or Section 2.3(b)(vi), (iii) any indemnification claims made under Section 4.2(c), Section 4.2(e), or Section 4.3(b), (iv) any Dispute with respect to whether a Third Party Claim is a Navient Liability or an SLM BankCo Liability, (v) any dispute relating to a breach by the other Party of the provisions of Section 5.4 or Section 6.9 and (vi) any Dispute arising from a breach of the Data Sharing Agreement, the Key Systems Agreement or Sections 13 or 14 of the Joint Marketing Agreement or the confidentiality or data privacy provisions of any other Ancillary Agreement.

10.14 Amendments. No provisions of this Agreement or any Ancillary Agreement shall be deemed waived, amended, supplemented or modified by any Party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the Party against whom it is sought to enforce such waiver, amendment, supplement or modification.

10.15 Interpretation. In this Agreement and any Ancillary Agreement, (a) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other genders as the context requires; (b) the terms “hereof,” “herein,” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement (or the applicable Ancillary Agreement) as a whole (including all of the Schedules, Exhibits and Appendices hereto and thereto) and not to any particular provision of this Agreement (or such Ancillary Agreement); (c) Article, Section, Schedule, Exhibit and Appendix references are to the Articles, Sections, Schedules, Exhibits and Appendices to this Agreement (or the applicable Ancillary Agreement) unless otherwise specified; (d) the word “including” and words of similar import when used in this Agreement (or the applicable Ancillary Agreement) shall mean “including, without limitation,”; (e) the word “or” shall not be exclusive; (f) unless expressly stated to the contrary in this Agreement or in any Ancillary Agreement, all references to “the date hereof,” “the date of this Agreement,” “hereby” and “hereupon” and words of similar import shall all be references to April 28, 2014, regardless of any amendment or restatement hereof and (g) references to any agreement, instrument or other document shall mean such agreement, instrument or other document as amended, supplemented or modified from time to time to the extent permitted by the provisions thereof and not prohibited by this Agreement.

10.16 Limitations of Liability. Notwithstanding anything in this Agreement to the contrary, and except with respect to any breach of any covenant or agreement contained in



Sections 5.4, 5.5, 5.7 or 6.9 or as expressly set forth in any Ancillary Agreement, neither Navient or its Affiliates, on the one hand, nor SLM BankCo or its Affiliates, on the other hand, shall be liable under this Agreement to the other for any special, indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages of the other arising in connection with the transactions contemplated hereby (other than any such liability with respect to a Third Party Claim).

10.17 Performance. SLM BankCo will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Agreement to be performed by any member of the SLM BankCo Group. Navient will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement or in any Ancillary Agreement to be performed by any member of the Navient Group. Each Party (including its permitted successors and assigns) further agrees that it will (a) give timely notice of the terms, conditions and continuing obligations contained in this Agreement and any applicable Ancillary Agreement to all of the other members of its Group and (b) cause all of the other members of its Group not to take any action or fail to take any such action inconsistent with such Party's obligations under this Agreement, any Ancillary Agreement or the transactions contemplated hereby or thereby.

10.18 Schedules. The Parties may update the Schedules to this Agreement after the date hereof to correct inaccuracies and for information that is not available prior to the date hereof; *provided*, that any update to a Schedule that increases the Liability of a Party shall be subject to the consent of such Party, such consent not to be unreasonably withheld.

IN WITNESS WHEREOF, the parties have caused this Separation and Distribution Agreement to be executed by their duly authorized representatives.

SLM CORPORATION  
[Existing SLM]

By: /s/ John F. Remondi  
Name: John F. Remondi  
Title: President and Chief Executive Officer

NEW BLC CORPORATION  
[SLM BankCo]

By: /s/ Raymond Quinlan  
Name: Raymond Quinlan  
Title: Chief Executive Officer

NAVIENT CORPORATION  
[Navient]

By: /s/ John F. Remondi  
Name: John F. Remondi  
Title: Chief Executive Officer

**BAKER BOTTS** LLP

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April 30, 2014

SLM Corporation  
 300 Continental Drive  
 Newark, Delaware 19713

Don J Lonczak  
 TEL: 2026397744  
 FAX: 2025851001  
 don.lonczak@bakerbotts.com

Navient Corporation  
 300 Continental Drive,  
 Newark, Delaware 19713

Ladies and Gentlemen:

We have acted as U.S. federal income tax counsel to SLM Corporation (formerly New BLC Corporation), a Delaware corporation ("Parent"), and the former SLM Corporation ("Old SLM"), also a Delaware corporation, in connection with (i) the merger (the "Reorganization") of Old SLM with and into a wholly-owned subsidiary of Parent, (ii) the internal spin-off by Sallie Mae, Inc., a Delaware corporation and subsidiary of Parent ("Internal Distributing"), of its private education loan servicing business (the "Internal Spin-off"), (iii) the spin-off of Parent's education loan management business to its public shareholders (the "External Spin-off") and (iv) certain related internal restructuring transactions (collectively, the Reorganization, the Internal Spin-off, the External Spin-off and the related internal restructuring transactions are referred to herein as the "Transactions").

Parent and Old SLM have requested our opinion (the "Tax Opinion") regarding certain U.S. federal income tax consequences of the Transactions. Pursuant to such request, Parent, Old SLM and we have agreed that this Tax Opinion addresses, considers and provides conclusions only with respect to the specific U.S. federal income tax matters addressed herein. Additional issues that are not addressed in this Tax Opinion could affect the U.S. federal income tax treatment of the Transactions. At the request of Parent and Old SLM, we also have addressed this Tax Opinion to Navient Corporation ("External Controlled"). We note, however, that we do not represent, and we undertake no additional attorney-client responsibilities with respect to, External Controlled.

**In accordance with Treasury Department Circular 230 and pursuant to the request of Parent and Old SLM, this Tax Opinion addresses, considers and provides conclusions only with respect to the U.S. federal income tax matters discussed herein. Additional issues that are not discussed in our Tax Opinion could affect the U.S. federal income tax treatment of the Transactions. Our Tax Opinion was not written, and cannot be used by any taxpayer, for the purpose of avoiding penalties that may be imposed on it with respect to any U.S. federal income tax issue not expressly discussed in our Tax Opinion.**

Except where expressly stated otherwise, all "section" references herein are to the Internal Revenue Code of 1986, as amended (the "Code").

April 30, 2014

Factual Assumptions

In rendering our Tax Opinion, we have examined, and relied (without independent verification) upon the accuracy and completeness of all the facts, information, covenants, representations, and warranties contained in, originals or copies, certified or otherwise identified to our satisfaction, of:

- (i) the separation and distribution agreement, dated as of the date hereof, among Parent, Old SLM and External Controlled, and all other agreements entered into by such parties or their affiliates relating to the Transactions;
- (ii) the information statement and other documents included as part of the registration statement on Form 10 (File No. 001-36228), as amended (the "Registration Statement"), filed with the Securities and Exchange Commission, or incorporated by reference therein; and
- (iii) such other documents and records as we have deemed necessary or appropriate as a basis for the conclusions set forth below.

In addition, as to certain facts that may be material to our Tax Opinion, we have relied upon certain statements and representations made on behalf of Parent, Old SLM, External Controlled, Internal Distributing and SMB Servicing Company, Inc. ("Internal Controlled") by officers and other representatives of Parent and Old SLM and upon statements and representations set forth in a representation letter, delivered by Parent to us, dated the date hereof (the "Representation Letter"). Our Tax Opinion assumes that such statements and representations are true and correct as of the effective time of the External Spin-off, without regard to any qualification for knowledge or belief.

We have concluded that none of the factual assumptions, representations, statements, or findings upon which our Tax Opinion is based are unreasonable, within the meaning of Circular 230, because we do not know, and have no reason to believe, that any such factual assumptions, representations, statements, or findings are incorrect or incomplete. Please be aware, however, that, for the most part, we have not conducted any independent review of such factual assumptions, representations, statements, or findings.

Our Tax Opinion is conditioned upon, among other things, the initial and continuing accuracy and completeness of all of the facts and information provided by, and the covenants, representations, and warranties made by, Parent, Old SLM, External Controlled, Internal Distributing, Internal Controlled and all relevant parties to the Transactions described herein. Any change to or inaccuracy in any of such facts, information, covenants, representations, or warranties could affect or negate one or more of the conclusions stated herein.

April 30, 2014

Qualifications as to Legal Matters

In rendering our Tax Opinion, we have relied upon applicable provisions of the Code, the Treasury regulations promulgated thereunder, pertinent judicial authorities, administrative rulings and practice, and such other authorities as we have considered relevant, in each case, as in effect on the date hereof. It should be noted that the Code, Treasury regulations, judicial decisions, administrative interpretations and such other authorities are subject to change at any time and, in some circumstances, with retroactive effect. A change in any of the authorities upon which our Tax Opinion is based or the occurrence of events subsequent to the effective time of the External Spin-off could affect one or more of our conclusions as stated herein.

The analysis of the U.S. federal income tax consequences of the Transactions involved a close evaluation of the applicable legal standards in light of the facts and circumstances related to the Transactions. No assurances can be given that the Internal Revenue Service (“**IRS**”) will not assert a position contrary to one or more of the conclusions set forth in our Tax Opinion or that a court will not agree with the IRS’s contrary position.

Opinion

Based solely upon and subject to the foregoing, we are of the opinion that, under current law, for U.S. federal income tax purposes:

1. The Reorganization will constitute a reorganization within the meaning of section 368(a)(1)(F) and will not be integrated with the other Transactions.
2. The Internal Spin-off will constitute a reorganization within the meaning of sections 368(a)(1)(D) and 355, such that Internal Distributing, Internal Controlled and Parent will not be subject to U.S. federal income tax in respect of the Internal Spin-off (except with respect to any inter-company transactions or excess loss account required to be taken into account in connection with the Internal Spin-off under Treasury regulation section 1.1502-13 or 1.1502-19, respectively).
3. The External Spin-off will constitute a reorganization within the meaning of sections 368(a)(1)(D) and 355, such that Parent, External Controlled and Parent’s shareholders will not be subject to U.S. federal income tax in respect of the External Spin-off (except with respect to any inter-company transactions or excess loss account required to be taken into account in connection with the External Spin-off under Treasury regulation section 1.1502-13 or 1.1502-19, respectively).

Except as expressly set forth above, we express no other opinion relating to the tax consequences of the Reorganization, the External Spin-off or the Internal Spin-off, including any potential tax consequences under state, local or non-U.S. tax law. Our Tax Opinion is expressed as of the date hereof, and we disclaim any undertaking to advise Parent or External Controlled of

April 30, 2014

any changes of or to any of the matters stated or assumed herein or of any subsequent changes in or to applicable law. Our Tax Opinion is solely for the benefit of the addressees above and is not to be relied upon, used, circulated, quoted or otherwise referred to for any purpose without our prior written consent.

Sincerely,

/s/ Baker Botts L.L.P.

Baker Botts L.L.P.

TRANSITION SERVICES AGREEMENT

BY AND BETWEEN

NAVIENT CORPORATION

AND

SLM CORPORATION

DATED AS OF APRIL 29, 2014

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## TRANSITION SERVICES AGREEMENT

This TRANSITION SERVICES AGREEMENT, dated as of April 29, 2014 (this "Agreement"), is by and between Navient Corporation, a Delaware corporation ("Navient"), and SLM Corporation, a Delaware corporation ("SLM BankCo"). Unless otherwise defined in this Agreement, all capitalized terms used in this Agreement shall have the meaning set forth in the Separation and Distribution Agreement, dated as of April 28, 2014, by and among Existing SLM, SLM BankCo and Navient (as amended, modified or supplemented from time to time in accordance with its terms, the "Separation and Distribution Agreement").

### RECITALS

WHEREAS, the board of directors of Existing SLM Corporation has determined that it is in the best interests of Existing SLM and its stockholders to separate Existing SLM's Navient Business and SLM BankCo Business;

WHEREAS, Existing SLM, SLM BankCo and Navient have entered into the Separation and Distribution Agreement;

WHEREAS, in order to facilitate and provide for an orderly separation and transition under the Separation and Distribution Agreement, the Parties (as defined herein) desire to enter into this Agreement to set forth the terms and conditions pursuant to which each of the Parties and their affiliates shall provide to the other the Services (as defined herein) for a transitional period; and

WHEREAS, the Separation and Distribution Agreement requires execution and delivery of this Agreement by Navient and SLM BankCo on or prior to the Distribution Date.

NOW, THEREFORE, in consideration of the foregoing and the mutual agreements contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

### ARTICLE I DEFINITIONS

The following capitalized terms used in this Agreement shall have the meanings set forth below:

"Additional Services" shall have the meaning set forth in Section 2.04(a).

"Agreement" shall have the meaning set forth in the Preamble.

"Banking Agency Regulation P" shall have the meaning set forth in Section 3.05(c).

"Cause" shall mean a person's indictment for embezzlement or fraud, conviction of a felony, pleading guilty or *nolo contendere* to a felony or breach of fiduciary duty, or deliberate disregard of the Code of Business Conduct of Navient.

“CFPB Regulation P” shall have the meaning set forth in Section 3.05(c).

“CIO” shall have the meaning set forth in Section 3.06(b).

“Completion Criteria” shall have the meaning set forth in Section 3.06(a).

“Confidential Information” shall have the meaning set forth in Section 8.03.

“cost,” as used in any Schedule to this Agreement, shall mean the Provider’s fully loaded cost inclusive of all standard overhead allocations, unless otherwise expressly provided in any such Schedule.

“Disaster Recovery/Business Continuity Plan” shall have the meaning set forth in Section 3.08(b).

“Disclosing Party” shall have the meaning set forth in Section 3.05(a).

“Disclosing Party Customer Information” shall have the meaning set forth in Section 3.05(c).

“Disclosing Party Security Requirements” shall have the meaning set forth in Section 3.05(b).

“DSS” shall have the meaning set forth in Section 3.05(g).

“Force Majeure” shall have the meaning set forth in the Separation and Distribution Agreement.

“FTC Final Rule” shall have the meaning set forth in Section 3.05(c).

“GLB Requirements” shall have the meaning set forth in Section 3.05(c).

“Group” shall have the meaning set forth in the Separation and Distribution Agreement.

“Information Security Program Requirements” shall have the meaning set forth in Section 3.05(c).

“Interest Payment” shall have the meaning set forth in Section 4.01(d).

“IT Transition” shall have the meaning set forth in Section 3.06(a).

“IT Transition Milestones” shall have the meaning set forth in Section 3.06(a).

“Key Employees” shall mean the individuals set forth on Exhibit III hereto.

“Milestone Dates” shall have the meaning set forth in Section 3.06(b).

“Navient” shall have the meaning set forth in the Preamble.

“Navient Business Plan” shall mean the business plan of the Navient Group for the two-year period following the date of this Agreement, in the form and on the terms approved by the Board of Directors of SLM Corporation in October 2013.

“Navient Program Manager” shall have the meaning set forth in the Separation and Distribution Agreement.

“Navient Services” shall have the meaning set forth in Section 2.01.

“Navient Services Manager” shall have the meaning set forth in Section 2.07(a).

“Non-assignable Contract” shall have the meaning set forth in the Separation and Distribution Agreement.

“Party” shall mean Navient and SLM BankCo individually, and “Parties” shall mean Navient and SLM BankCo collectively, and, in each case, their permitted successors and assigns.

“PCI” shall have the meaning set forth in Section 3.05(g).

“Preferred Stock” shall have the meaning set forth in the SMI Amended and Restated Charter.

“Preferred Stock Period” shall have the meaning set forth in the SMI Amended and Restated Charter.

“Provider” shall mean the Party or its Subsidiary or Affiliate providing a Service under this Agreement or obligated or designated to complete a task.

“Provider Indemnified Party” shall have the meaning set forth in Section 6.04.

“Receiving Party” shall have the meaning set forth in Section 3.05(a).

“Receiving Party Personnel” shall have the meaning set forth in Section 3.05(b).

“Recipient” shall mean the Party or its Subsidiary or Affiliate to or for whom a Service or task under this Agreement is being provided or performed.

“Recipient Indemnified Party” shall have the meaning set forth in Section 6.05.

“Redemption Date” has the meaning set forth in Section 3.06(h).

“Redemption Price” has the meaning set forth in the SMI Amended and Restated Charter.

“Reimbursement Charge(s)” shall have the meaning set forth in Section 4.01(b).

“Representatives” shall have the meaning set forth in the Separation and Distribution Agreement.

“Restricted Access Navient Customer Information” shall have the meaning set forth in Section 3.05(h).

“Schedule(s)” shall have the meaning set forth in Section 2.01.

“Security Incident” shall have the meaning set forth in Section 3.05(d).

“Security Audit” shall have the meaning set forth in Section 3.05(e).

“Separation and Distribution Agreement” shall have the meaning set forth in the Preamble.

“Separation Projects” shall mean the separation and migration projects listed on Annex A to Statement of Work C to Schedule 1.

“Service Charge(s)” shall have the meaning set forth in Section 4.01(a).

“Service Decrease” shall have the meaning set forth in Section 2.04(b).

“Service Extension” shall have the meaning set forth in Section 7.01(c).

“Service Increase” shall have the meaning set forth in Section 2.04(a).

“Service Locations” shall have the meaning set forth in Section 3.08(a).

“Services” shall have the meaning set forth in Section 2.01.

“Shared Contract” shall have the meaning set forth in the Separation and Distribution Agreement.

“SLM BankCo” shall have the meaning set forth in the Preamble.

“SLM BankCo Business Plan” shall mean the business plan of the SLM BankCo Group for the two-year period following the date of this Agreement, in the form and on the terms approved by the Board of Directors of SLM Corporation in October 2013.

“SLM BankCo Program Manager” shall have the meaning set forth in the Separation and Distribution Agreement.

“SLM BankCo Services” shall have the meaning set forth in Section 2.01.

“SLM BankCo Services Manager” shall have the meaning set forth in Section 2.07(b).

“SMI” shall mean Sallie Mae, Inc., a Delaware corporation and Subsidiary of Navient.

“SMI Amended and Restated Charter” shall mean the Amended and Restated Certificate of Incorporation of SMI filed with the Secretary of State of the State of Delaware on April 28, 2014.

“SMI Board” shall have the meaning set forth in the Separation and Distribution Agreement.

“Special Preferred Director” shall have the meaning set forth in the SMI Amended and Restated Charter.

“Subcontractors” shall have the meaning set forth in Section 3.05(c).

“Taxes” shall have the meaning set forth in the Tax Matters Agreement.

“Termination Charges” shall have the meaning set forth in Section 7.01(b)(i)(A).

“Transfer Taxes” shall have the meaning set forth in Section 4.02.

## ARTICLE II SERVICES, DURATION AND SERVICES MANAGERS

Section 2.01. Services; Scope. Subject to the terms and conditions of this Agreement, (a) Navient shall provide, or cause one or more of its Subsidiaries to provide, to the SLM BankCo Group the services for which Navient is the Provider as set forth in Schedules 1, 2, 3, 4, 5, 6, 7, 8 and 9 to this Agreement (the “Navient Services”) and (b) SLM BankCo shall provide, or cause one or more of its Subsidiaries to provide, to the Navient Group the services for which SLM BankCo is the Provider as set forth in Schedules 1, 2, 3, 4, 5, 6, 7, 8 and 9 to this Agreement (the “SLM BankCo Services,” and, collectively with the Navient Services, any Additional Services, any Service Increases, any Service Decreases and any New Services, the “Services”). The description and scope of the Services shall be as set forth on Schedules 1, 2, 3, 4, 5, 6, 7, 8 and 9 (each a “Schedule”, and collectively, the “Schedules”). All of the Services shall be for the sole use and benefit of the Recipient and its respective Affiliates.

Section 2.02. Duration of Services. Subject to the terms of this Agreement, each of Navient and SLM BankCo shall provide or cause to be provided to the respective Recipient(s) each Service until the earlier to occur of, with respect to each such Service, (a) the expiration of the duration of the term for such Service (or, subject to the terms of Section 7.01(c), the expiration of any Service Extension) as set forth on the applicable Schedule or (b) the date on which such Service is terminated under Section 7.01(b); provided, however, that the duration of the Services shall not extend beyond the two-year anniversary of the date of this Agreement.

Section 2.03. Pricing for Services. Subject to the terms of this Agreement, the Service Charge for each Service to be provided by a Provider shall be as reflected on the Schedules. With respect to each Service or category of Services, the applicable Schedule shall set forth (i) the Recipient that will be invoiced the Service Charge for such Service or category of Services and (ii) the Provider that will be paid such Service Charge. Service Charges and any applicable Reimbursement Charges shall be invoiced and paid in accordance with Article IV.

Changes to Services. (a) Service Increases; Additional Services. After the date of this Agreement, if a Recipient requests that a Provider (i) increase the volume, amount or frequency, as applicable, of any Service provided by a Provider (any such increase, a “Service Increase”) by up to 50% of the volume, amount or frequency contemplated by the SLM BankCo

Business Plan or the Navient Business Plan, as applicable, or (ii) provide a service that is materially different from and in addition to the Services then included on the Schedules hereto (each, an “Additional Service”) but was provided, immediately prior to the Effective Time, by a member of the Navient Group to the Pre-Separation Consumer Banking Business, in the case of a request by SLM BankCo, or by a member of the SLM BankCo Group to the Pre-Separation Education Loan Business, in the case of a request by Navient (other than because the Parties agreed such service would not be provided), then in each case such Provider shall be obligated to perform such Service Increase or Additional Service. If the Recipient requests that the Provider perform a Service Increase that exceeds 150% of the Services to be performed in the manner contemplated by the SLM BankCo Business Plan or Navient Business Plan, as applicable, then the Provider shall use commercially reasonable efforts to cooperate with the Recipient to provide such Service Increase.

(b) *Service Decreases.* After the date of this Agreement, a Recipient may request the Provider to decrease the volume, amount, level or frequency, as applicable, of any Service provided by a Provider (any such decrease, a “Service Decrease”) by providing a written notice to Provider; provided, however, that, after delivery of a notice of Service Decrease, the Provider shall have no obligation to agree to a subsequent request of the Recipient for a Service Increase with respect to such decreased Services.

Section 2.04. (c) *Mutual Agreement; Supplements to Schedules.* In connection with any request for Additional Services, Service Increases or Service Decreases in accordance with this Section 2.04, the Navient Services Manager and the SLM BankCo Services Manager shall in good faith negotiate the terms of a supplement to the applicable Schedule, which terms shall be consistent with the terms of, and the pricing methodology used for, similar Services provided under this Agreement. Upon the mutual written agreement of the Parties, the supplement to the applicable Schedule shall describe in reasonable detail the nature, description, scope, expiration and duration, Service Charges and other terms applicable to such Additional Services, Service Increases or Service Decrease in a manner similar to that in which the Services are described in the existing Schedules. Each supplement to the applicable Schedule, as agreed to in writing by the Parties, shall be deemed part of this Agreement as of the date of such supplement and the Additional Services or Service Increases set forth therein shall be deemed “Services” provided under this Agreement, in each case subject to the terms and conditions of this Agreement. Excluded Services. It is not the intent of the Provider to render, nor of the Recipient to receive from the Provider, professional advice or opinions, whether with regard to Tax, legal, treasury, finance, employment or other business and financial matters, technical advice, including environmental matters. The Recipient shall not rely on, or construe, any Service rendered by or on behalf of the Provider as such professional advice or opinions or technical advice, and the Recipient shall seek all third-party professional advice and opinions or technical advice as it may desire or need. In addition, no provision of this Agreement shall require any Provider to render services that are prohibited from being provided by the Provider or to the Recipient by any applicable Law or if the provision of such services by the Provider or to the Recipient would violate any applicable Law.

Section 2.05. Services Managers. (a) Navient hereby appoints and designates the individuals set forth on Exhibit I to act as the initial services managers for the corresponding Services Schedules on Exhibit I (each, a “Navient Services Manager”), each of whom will be

directly responsible for coordinating and managing the delivery of the Navient Services under the applicable Service Schedule and have authority to act on Navient's behalf with respect to matters relating to the provision of the identified Services under this Agreement. Each Navient Services Manager will report to the Navient Program Manager and will work with the personnel of the Navient Group to periodically address issues and matters raised by SLM BankCo relating to the provision of Services under this Agreement. Navient shall notify SLM BankCo of the appointment of a different Navient Services Manager, if necessary, in accordance with Section 8.06.

(b) SLM BankCo hereby appoints and designates the individuals set forth on Exhibit I to act as the initial services managers for the corresponding Services Schedules on Exhibit I (each, a "SLM BankCo Services Manager"), each of whom will be directly responsible for coordinating and managing the delivery of the SLM BankCo Services under the applicable Services Schedule and have authority to act on SLM BankCo's behalf with respect to matters relating to the provision of the identified Services under this Agreement. Each SLM BankCo Services Manager will report to the SLM BankCo Program Manager and will work with the personnel of the SLM BankCo Group to periodically address issues and matters raised by Navient relating to the provision of Services under this Agreement. SLM BankCo shall notify Navient of the appointment of a different SLM BankCo Services Manager, if necessary, in accordance with Section 8.06.

Section 2.07. Personnel. (a) The Provider of any Service will make available to the Recipient of such Service such personnel as may be necessary to provide such Service on the understanding that such personnel shall remain employed and/or engaged by the Provider. The Provider will have the right, in its reasonable discretion, to (i) designate which personnel it will assign to perform such Service, and (ii) remove and replace such personnel at any time; provided, however, that any such removal or replacement shall not be the basis for any increase in any Service Charge or Reimbursement Charge payable hereunder or relieve the Provider of its obligation to provide any Service hereunder; provided, further, that the Provider will use its commercially reasonable efforts to limit the disruption to the Recipient in the transition of the Services to different personnel.

(b) In the event that the provision of any Service by the Provider requires the cooperation and services of the personnel of the Recipient, the Recipient will make available to the Provider such personnel (who shall be appropriately qualified for purposes of so supporting the provision of such Service by the Provider) as may be necessary for the Provider to provide such Service on the understanding that such personnel shall remain employed and/or engaged by the Recipient. The Recipient will have the right, in its reasonable discretion, to (i) designate which personnel it will make available to the Provider in connection with the provision of such Service, and (ii) remove and replace such personnel at any time; provided, however, that any resulting increase in costs to the Provider shall be borne by the Recipient and any resulting adverse effect to the provision of such Service by the Provider will not be deemed a breach of this Agreement by the Provider; provided, further, that the Recipient will use its commercially reasonable efforts to limit the disruption to the Provider in the transition of such personnel. If the Provider, in its reasonable discretion and following discussions with the Recipient, requests the Recipient to remove and/or replace any such personnel from their roles in respect of the Services being provided by the Provider, the Recipient shall comply with such request.



(c) No Provider shall be liable under this Agreement for any Liabilities incurred by the Recipient Indemnified Parties that are primarily attributable to, or that are a consequence of, any actions or inactions of the personnel of the Recipient, except for any such actions or inactions undertaken pursuant to the direction of the Provider.

(d) Nothing in this Agreement shall grant the Provider, or its employees, agents and third-party providers that are performing the Services, the right directly or indirectly to control or direct the operations of the Recipient or any member of its Group. Such employees, agents and third-party providers shall not be required to report to the management of the Recipient nor be deemed to be under the management or direction of the Recipient. The Recipient acknowledges and agrees that, except as may be expressly set forth herein as a Service or otherwise expressly set forth in the Separation and Distribution Agreement, another Ancillary Agreement or any other applicable agreement, no Provider or any member of its Group shall be obligated to provide, or cause to be provided, any service or goods to any Recipient or any member of its Group.

### **ARTICLE III ADDITIONAL ARRANGEMENTS**

Section 3.01. Assistance Regarding Software and Software Licenses. Navient shall use commercially reasonable efforts to assist SLM BankCo in its efforts to obtain licenses (or other appropriate rights) to use, duplicate and distribute, as necessary and applicable, certain computer software necessary for Navient to provide, and SLM BankCo to receive, Navient Services or for Navient to transition such Navient Services to SLM BankCo; provided, however, that Navient shall not be required to pay any fees or other payments or incur any obligations or liabilities to enable SLM BankCo to obtain any such license or rights (except and to the extent that SLM BankCo advances such fees or payments to Navient); provided, further, that Navient shall not be required to seek broader rights or more favorable terms for SLM BankCo than those applicable to Effective Time Sallie Mae or as may be applicable to Navient from time to time hereafter; provided, further, that SLM BankCo shall bear only those costs that relate solely and directly to obtaining such licenses (or other appropriate rights) in the ordinary course. The Parties acknowledge and agree that there can be no assurance that Navient's efforts will be successful or that SLM BankCo will be able to obtain such licenses or rights on acceptable terms or at all and, where Navient enjoys rights under any enterprise or site license or similar license, the Parties acknowledge that such license typically precludes partial transfers or assignments or operation of a service bureau on behalf of unaffiliated entities. In the event that SLM BankCo is unable to obtain such software licenses, the Parties shall work together using commercially reasonable efforts to obtain an alternative software license to allow Navient to provide, and SLM BankCo to receive, such Navient Services (or allow Navient to transition such Navient Services to SLM BankCo), and the Parties shall negotiate in good faith an amendment to the applicable Schedule to reflect any such new arrangement, which amended Schedule shall not require SLM BankCo to pay for any fees, Taxes, expenses or costs relating to the software license that SLM BankCo was unable to obtain pursuant to the provisions of this Section 3.01(a).

(a) If and to the extent requested by Navient, SLM BankCo shall use commercially reasonable efforts to assist Navient in its efforts to obtain licenses (or other appropriate rights) to use, duplicate and distribute, as necessary and applicable, certain computer software necessary for SLM BankCo to provide, and Navient to receive, SLM BankCo Services or for SLM BankCo

to transition such SLM BankCo Services to Navient; provided, however, that SLM BankCo shall not be required to pay any fees or other payments or incur any obligations or liabilities to enable Navient to obtain any such license or rights (except and to the extent that Navient advances such fees or payments to SLM BankCo); provided, further, that SLM BankCo shall not be required to seek broader rights or more favorable terms for Navient than those applicable to Effective Time Sallie Mae or as may be applicable to SLM BankCo from time to time hereafter; provided, further, that Navient shall bear only those costs that relate solely and directly to obtaining such licenses (or other appropriate rights) in the ordinary course. The Parties acknowledge and agree that there can be no assurance that SLM BankCo's efforts will be successful or that Navient will be able to obtain such licenses or rights on acceptable terms or at all and, where SLM BankCo enjoys rights under any enterprise or site license or similar license, the Parties acknowledge that such license typically precludes partial transfers or assignments or operation of a service bureau on behalf of unaffiliated entities. In the event that Navient is unable to obtain such software licenses, the Parties shall work together using commercially reasonable efforts to obtain an alternative software license to allow SLM BankCo to provide, and Navient to receive, such SLM BankCo Services (or allow SLM BankCo to transition such SLM BankCo Services to Navient), and the Parties shall negotiate in good faith an amendment to the applicable Schedule to reflect any such new arrangement, which amended Schedule shall not require Navient to pay for any fees, Taxes, expenses or costs relating to the software license that Navient was unable to obtain pursuant to the provisions of this Section 3.01(b).

(b) In the event that there are any costs associated with obtaining software licenses in accordance with this Section 3.01 that (i) would not be payable in the ordinary course, including in the form of a "transfer fee" or other similar fees or expenses payable by the Recipient or the Provider, and (ii) would not have been payable by the Recipient or the Provider absent the need for a consent or waiver in connection with the license that the Recipient is seeking to obtain, such costs shall be paid by the Recipient.

Section 3.02. Computer-Based and Other Resources. From and after the date of this Agreement, each Party and its Affiliates shall cause all of their Representatives having access to the computer software, networks, hardware, technology or computer-based resources of the other Party and its Affiliates pursuant to the Separation and Distribution Agreement, or any Ancillary Agreement, or in connection with the performance, receipt or delivery of any Service, to comply with all security guidelines (including physical security, network access, internet security, confidentiality and personal data security guidelines) of such other Party and its Affiliates of which written notice is provided by such other Party. Each Party shall ensure that the access contemplated by this Section 3.02 shall be used by its Representatives only for the purposes contemplated by, and subject to the terms of, this Agreement.

Section 3.03. Access to Facilities. (a) SLM BankCo shall, and shall cause its Subsidiaries to, allow Navient and its Representatives reasonable access to the facilities of SLM BankCo necessary for Navient to fulfill its obligations under this Agreement.

(b) Navient shall, and shall cause its Subsidiaries to, allow SLM BankCo and its Representatives reasonable access to the facilities of Navient necessary for SLM BankCo to fulfill its obligations under this Agreement.

(c) Notwithstanding the other rights of access of the Parties under this Agreement, each Party shall, and shall cause its Subsidiaries to, afford the other Party, its Subsidiaries and Representatives, following not less than five business days' prior written notice from the other Party, reasonable access during normal business hours to the facilities, information, systems, infrastructure and personnel of the relevant Providers as reasonably necessary for the other Party to verify the adequacy of internal controls over information technology, reporting of financial data and related processes employed in connection with the Services, including in connection with verifying compliance with Section 404 of the Sarbanes-Oxley Act of 2002; provided, however, such access shall not unreasonably interfere with any of the business or operations of such Party or its Subsidiaries.

(d) Except as otherwise permitted by the other Party in writing, each Party shall permit only its authorized Representatives, contractors, invitees or licensees to access the other Party's facilities.

Section 3.04. Cooperation. It is understood that it will require the significant efforts of both Parties to implement this Agreement and to ensure performance of this Agreement by the Parties at the agreed-upon levels in accordance with all of the terms and conditions of this Agreement. The Parties will cooperate, acting in good faith and using commercially reasonable efforts, to effect a smooth and orderly transition and performance of the Services provided under this Agreement from the Provider to the Recipient (including the assignment or transfer of the rights and obligations under any third-party contracts relating to the Services); provided, however, that this Section 3.04 shall not require either Party to incur any out-of-pocket costs or expenses unless and except as expressly provided in this Agreement or otherwise agreed to in writing by the Parties. Any Non-assignable Contract or Shared Contract shall be treated in the manner provided in Section 2.5 of the Separation and Distribution Agreement.

Section 3.05. Security and Privacy.

(a) *Receiving Party; Disclosing Party*. For purposes of this Section 3.05, "Receiving Party," means a party that obtains, maintains, processes, receives or otherwise is permitted access to Confidential Information of the other party ("Disclosing Party").

(b) *Disclosing Party Security Requirements; Security Questionnaire*. Receiving Party shall comply, and shall cause its employees ("Receiving Party Personnel") to comply (to the extent applicable to individuals), with the provisions set forth in Exhibit II (the "Disclosing Party Security Requirements"). As periodically requested by Disclosing Party, but no more frequently than annually, Receiving Party shall promptly, fully and accurately complete Disclosing Party's Information Security Questionnaire and other documents or requests for information regarding Receiving Party's information security practices relating to Disclosing Party's Confidential Information (*e.g.*, summaries of security audits, summaries of test results or other equivalent evaluations of Receiving Party's information security practices).

(c) *Customer Information Handling Requirements*. Receiving Party hereby agrees that (i) it shall comply, (ii) it shall cause all Receiving Party Personnel to comply and (iii) it shall cause all agents, contractors, subcontractors, and vendors that perform services that are used by Receiving Party to provide the Services (collectively, "Subcontractors") to comply, to the extent

they have access to Disclosing Party Customer Information (as defined below), with all reuse, redisclosure and other customer information handling, processing, security and protection requirements that are specifically required of a non-affiliated third-party processor or servicer (or subcontractor) under the Federal Trade Commission’s Privacy of Consumer Financial Information; Final Rule (16 CFR 313) (the “FTC Final Rule”), the Joint Banking Agencies’ Privacy of Consumer Financial Information; Final Rule (12 CFR Parts 40, 216, 332 and 573) (the “Banking Agency Regulation P”), or the Bureau of Consumer Financial Protection’s Privacy of Consumer Financial Information (Regulation P) (12 CFR 1016) (the “CFPB Regulation P”), as applicable, each implementing Title V of the Gramm-Leach-Bliley Act, Public Law 106-102 (the “GLB Requirements”) and other applicable federal and state consumer privacy Laws. Without limiting the foregoing, Receiving Party agrees that:

- (i) it is prohibited from disclosing or using any “nonpublic personal information” (as defined in the GLB Requirements) that it may obtain, maintain, process or otherwise receive from, through or on behalf of Disclosing Party in connection with this Agreement or as may have been received pursuant to the Separation and Distribution Agreement (the “Disclosing Party Customer Information”), except solely to carry out the purposes for which it was disclosed, including use under an applicable exception contained in Section 313.14 or 313.15 of the FTC Final Rule, Section 332.14 or 332.15 of the Banking Agency Regulation P, or Section 1016.14 or 1016.15 of the CFPB Regulation P, as applicable, in the ordinary course of business to carry out those purposes; and
- (ii) it has implemented and will maintain a written information security program that complies with applicable state laws and regulations pertaining to the protection of personal information (*e.g.*, MA 201 CMR 17.00) and that is designed to meet the following objectives as set forth in the Interagency Guidelines Establishing Information Security Standards; Final Rule (12 CFR Part 30, *et al.*) (the “Information Security Program Requirements”):
  - (1) Ensure the security and confidentiality of the Disclosing Party Customer Information;
  - (2) Protect against any anticipated threats or hazards to the security or integrity of such information;
  - (3) Protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to any customer; and
  - (4) Ensure the proper disposal of Disclosing Party Customer Information and “consumer information” (as that term is defined in the Interagency Guidelines Establishing Information Security Standards; Final Rule (12 CFR Part 30, *et al.*)).

(d) *Security Incidents*. Unless specifically requested by law enforcement not to

communicate with Disclosing Party, Receiving Party shall report to Disclosing Party all known Security Incidents. For clarity, with respect to SLM BankCo Confidential Information accessed by Navient Representatives during the IT Transition, Navient shall be deemed to be the Receiving Party and SLM BankCo shall be deemed to be the Disclosing Party for purposes of SLM BankCo Confidential Information (including SLM BankCo's Disclosing Party Customer Information) hosted by Navient. With respect to Navient Confidential Information accessed by SLM BankCo Representatives during the IT Transition, SLM BankCo shall be deemed to be the Receiving Party and Navient shall be deemed to be the Disclosing Party for purposes of Navient Confidential Information (including Navient's Disclosing Party Customer Information) accessible by SLM BankCo. "Security Incident" means any unauthorized action by a known or unknown person or automated program (e.g., worm, virus, web crawler, malware, etc.) that leads to one of the following: unintended disclosure of confidential, customer, employee or other sensitive information, denial of service, misuse of system access, or unauthorized access or intrusion, all to the extent they affect the security, confidentiality or integrity of the Disclosing Party's Confidential Information received, stored, processed, or maintained by Receiving Party. "Security Incident" shall also include any contact by a law enforcement agency with Receiving Party regarding any of Disclosing Party's Confidential Information, unless specifically mandated by law enforcement not to communicate with Disclosing Party. To the extent Receiving Party becomes aware of any Security Incidents occurring with respect to its Subcontractors that have access (either authorized or unauthorized) to Disclosing Party's Confidential Information, Receiving Party shall be required to report such Security Incidents in accordance with the provisions of this Section. If a Security Incident occurs, Receiving Party shall notify Disclosing Party within 24 hours in accordance with the procedure and contact information set forth on Exhibit II and provide the following information, to the extent known at such time: nature and impact of the Security Incident; actions already taken by Receiving Party; Receiving Party's assessment of immediate risk; and corrective measures to be taken, evaluation of alternatives and next steps. Receiving Party shall continue providing (i) appropriate status reports to Disclosing Party regarding the resolution of the Security Incident and prevention of future such Security Incidents, and (ii) cooperation, as reasonably requested by Disclosing Party, in order to further investigate and resolve the Security Incident. Disclosing Party may require that the Services provided by Receiving Party to Disclosing Party be suspended, connectivity with Receiving Party be terminated or that other appropriate action be taken pending such resolution. Receiving Party shall preserve evidence of all Security Incidents and allow external forensic analysis either onsite or through shipment of components. Except as otherwise provided in Section 10.13 of the Separation and Distribution Agreement, Disputes arising in connection with a Security Incident, including without limitation, Disputes regarding the occurrence or non-occurrence of a Security Incident or the appropriate remediation measures, shall be addressed using the same escalation processes and dispute resolution procedures as applicable to Disputes arising in connection with the IT Transition.

(e) *Security Audits*. During the Term and thereafter for as long as Receiving Party retains Disclosing Party Confidential Information, Disclosing Party, its representatives and agents will be entitled to conduct audits of Receiving Party's relevant operations, facilities, and systems to confirm that Receiving Party has complied with the Disclosing Party Security Requirements and the Information Security Program Requirements (each, a "Security Audit"); provided that, following the termination of this Agreement, such Security Audits may only be

conducted by the Disclosing Party once per consecutive 12-month period commencing upon the effective date of termination of this Agreement. Any Security Audit shall be scheduled with reasonable prior notice and conducted during normal business hours and shall not unreasonably interfere with Receiving Party's business activities. Receiving Party may require any such auditor to sign a customary confidentiality agreement. In the event that any Security Audit results in the discovery of material security risks to Disclosing Party Confidential Information, Receiving Party shall respond to Disclosing Party in writing with Receiving Party's plan to promptly take reasonable measures and corrective actions necessary to effectively eliminate the risk, at no cost to Disclosing Party. Receiving Party shall have 15 business days to cure such security risk, unless the parties mutually agree in writing to a longer period of time for such cure. Disclosing Party's right, and the right of its representatives and agents, to conduct Security Audits, and any exercise of such right, shall not in any way diminish or affect Receiving Party's duties and liabilities under this Agreement. The Parties acknowledge and agree that the audit rights and limitations provided in this paragraph (e) are independent from the audit rights and limitations provided in [Section 8.17](#).

(f) *Subcontractors*. Receiving Party shall be responsible for the acts and omissions of its Subcontractors as if they were the acts and omissions of its employees. Without limiting the foregoing, Receiving Party (a) shall oversee any such Subcontractors that obtain, maintain, process, receive, or otherwise are permitted access to Disclosing Party's Confidential Information (including, without limitation, all Disclosing Party Customer Information) by taking reasonable steps to select and retain Subcontractors that are capable of maintaining appropriate safeguards to protect the security and confidentiality of the Disclosing Party's Confidential Information, (b) shall require Subcontractors to comply with (i) confidentiality provisions substantially similar to those set forth in this Agreement, (ii) to the extent the Subcontractor has access to Disclosing Party Customer Information, privacy and security provisions substantially similar to those set forth in the Customer Information Handling Requirements paragraphs of this Agreement, and (iii) to the extent the Subcontractor has access to, stores, or processes the Disclosing Party's customers' cardholder information, the PCI DSS (defined immediately below) in effect from time to time, and (c) shall take commercially reasonable steps to require Subcontractors to adhere to the Disclosing Party Security Requirements set forth in [Exhibit II](#). Receiving Party shall provide Disclosing Party with a list of Subcontractors from time-to-time as reasonably requested by Disclosing Party.

(g) *PCI Requirements*. If Receiving Party has access to, stores, or processes the Disclosing Party's customers' cardholder information, Receiving Party hereby confirms that it has on file a current Report on Compliance, evidencing that it is in compliance with the payment card industry ("[PCI](#)") data security standard ("[DSS](#)"). Receiving Party shall provide Disclosing Party with a copy of the PCI DSS Attestation of Compliance Letter upon request. In addition to the foregoing, to the extent applicable to the Services being provided to Disclosing Party hereunder, Receiving Party will comply with and adhere to the PCI DSS in effect from time to time. Each party shall be responsible for the implementation, testing, and compliance with respect to PCI data security controls within their respective PCI DSS boundaries. These requirements are applicable to all infrastructure and systems processing or storing any cardholder information as defined by the PCI DSS. Any change in Receiving Party's PCI compliance and/or certification status shall be promptly communicated to Disclosing Party.

(h) *Limitations on Access.* Notwithstanding anything contained herein to the contrary, SLM BankCo shall not, and shall cause its Representatives to not, access or attempt to access any customer/loan information except (i) the Navient customer information as necessary to perform the SLM BankCo Services, and (ii) the customer information pertaining to SLM BankCo owned loans (including loans owned by third party lenders who have contracted with SLM BankCo to provide certain services) (all customer information other than that described in subsections (i) and (ii) is collectively referred to as the “Restricted Access Navient Customer Information.” If SLM BankCo inadvertently or otherwise accesses any Restricted Access Navient Customer Information, SLM BankCo agrees to not to use or disclose the Restricted Access Navient Customer Information.

Section 3.06. IT Transition Completion Requirements; IT Transition Governance.

(a) Upon approval by a majority of the members of the SMI Board, which approval shall include the approval of the Special Preferred Director, that the “Completion Criteria” for each “IT Transition Milestone”, as each is described in Schedule 1, have been satisfied, the migration of SLM BankCo’s customer data, servicing and origination service functions to an independent SLM BankCo platform or alternative long-term platform (the “IT Transition”) shall be deemed to be complete.

(b) The Chief Information Officers of each of Navient and SLM BankCo (each, a “CIO”) shall coordinate and manage the delivery of Services under Schedule 1 so as to allow the IT Transition Milestones to be completed by the applicable “Milestone Dates” set forth on Schedule 1. The CIO’s shall promptly escalate all Service delivery issues, material delays in completing the IT Transition Milestones, and material disputes arising under Schedule 1 to the Separation and Oversight Committee.

(c) Any proposal by either Party to:

- (i) modify the IT Transition Milestones (including the addition or removal of Separation Projects comprising any IT Transition Milestone);
- (ii) modify any of the Completion Criteria or Milestone Dates;
- (iii) amend the material terms of Schedule 1 or any Statement of Work thereunder; or
- (iv) modify the cost allocation, budgets or spend commitments provided in Schedule 1 in any material respect;

in each case, shall be promptly submitted to the Separation and Oversight Committee for approval. If the Separation and Oversight Committee does not unanimously approve any such proposal, such proposal shall be escalated to the SMI Board for approval by a majority of the members of the SMI Board, which approval shall include the approval of the Special Preferred Director.

(d) If any IT Transition Milestone is not completed by the applicable Milestone Date, the SMI Board will promptly meet to review (i) the impact to the remaining IT Transition Milestones and associated Milestone Dates, (ii) the remediation efforts undertaken by the Parties in respect of such uncompleted IT Transition Milestone, and (iii) the incremental costs, if any, to be incurred by the Parties in respect of such uncompleted IT Transition Milestone and remediation efforts. The SMI Board shall review and approve any additional budget or cost allocation arising out of the uncompleted IT Transition Milestone in accordance with paragraph (c) above (including the requirement of approval by the Special Preferred Director).

(e) Navient shall cause any proposed changes to the operations of SMI that would reasonably be expected to adversely affect, in any material respect, the ability of the Navient Group to timely satisfy Navient's obligations in respect of the Completion Criteria for any IT Transition Milestone to be promptly submitted to the SMI Board for approval by a majority of the members of the SMI Board of Directors of SMI, which approval shall include the approval of the Special Preferred Director; provided, however that the foregoing consent requirement shall not apply to the SMI projects and operations that are set forth on Exhibit IV.

(f) Prior to any termination (other than a termination for Cause or at the request of SLM BankCo) or replacement of a Key Employee of SMI during the Preferred Stock Period, Navient shall provide prompt written notice to the Special Preferred Director of Navient's intention to terminate or replace such Key Employee. Navient shall cause any such proposed termination or replacement to be submitted to the SMI Board for approval by a majority of the members of the SMI Board, which approval shall include the approval of the Special Preferred Director. Notwithstanding anything to the contrary herein, SMI may terminate a Key Employee for Cause (without the approval of, or provision of prior notice to, SLM BankCo or the Special Preferred Director) to the extent it reasonably determines, in consultation with counsel, that Cause for termination of such Key Employee exists.

(g) SLM BankCo shall not make any changes to the operations of the SLM BankCo Group that would reasonably be expected to adversely affect, in any material respect, the ability of the Navient Group to timely satisfy Navient's obligations in respect of the Completion Criteria for any IT Transition Milestone without the prior written consent of Navient. Further, SLM BankCo shall not reassign any Key Employee, or any other employee of SLM BankCo assigned to perform Services pursuant to Statement of Work C (Separation Projects) under Schedule 1 for Projects that have a material impact to the fulfillment of the IT Transition Milestones, in each case without Navient's prior written consent. Notwithstanding anything to the contrary herein, SLM BankCo may terminate a Key Employee for Cause (without the approval of Navient SLM BankCo) to the extent it reasonably determines, in consultation with counsel, that Cause for termination of such Key Employee exists.

(h) Navient shall cause SMI to redeem all of the issued and outstanding shares of Preferred Stock, out of funds legally available therefor, for the Redemption Price on the date (the "Redemption Date") that is the earlier to occur of (i) three business days



following the determination, and approval by the SMI Board pursuant to paragraph (a) that the IT Transition has been completed, and (ii) the 24 month anniversary of the initial issuance of the Preferred Stock.

Section 3.07. *Additional Special Preferred Director Approval Rights.*

(a) During the Preferred Stock Period, Navient shall not permit SMI to enter into any merger, consolidation or combination of SMI into or with any other corporation or entity (regardless of whether SMI is the surviving entity) without the approval of the majority of the members of the SMI Board, which approval shall include the approval of the Special Preferred Director.

(b) During the Preferred Stock Period, Navient shall cause the Chief Executive Officer of SMI to certify to the holder(s) of the Preferred Stock, within five business days after the end of each calendar quarter, that none of the actions described in Sections 3.06(e), or (h) or paragraph (a) above have been effected by SMI during such quarter (or, if any such action has been taken, that the actions taken by SMI comply with the provisions of Sections 3.06 and 3.07(a)).

Section 3.08. *Disaster Recovery; Business Continuity.*

(a) Disaster Recovery and Business Continuity. Receiving Party will be responsible for disaster recovery and business continuity planning, testing, implementation, and execution related to all locations from which services are provided under this Agreement (including locations of Receiving Party's Subcontractors, "Service Locations"). Receiving Party shall provide the services described in this Section 3.08 without extra charge to the Disclosing Party:

(i) maintaining and testing the Disaster Recovery/Business Continuity Plan (as defined below);

(ii) implementing the Disaster Recovery/Business Continuity Plan in the event of a disaster affecting Service Locations within the specified timeframes;

(iii) carrying out disaster recovery, business continuity or redundancy procedures related to the services in accordance with such Disaster Recovery/Business Continuity Plan; and

(iv) designing and implementing a Disaster Recovery/Business Continuity plan to minimize disruption to the business of Disclosing Party.

(b) Disaster Recovery/Business Continuity Plan. Receiving Party shall maintain a Disaster Recovery/Business Continuity plan (the "Disaster Recovery/Business Continuity Plan") that covers services that are provided to Disclosing Party and each of the proposed Service Locations. The Receiving Party will provide a target recovery time objective (RTO) and recovery point objective (RPO) of 48 hours and 2 hours, respectively, unless a lower minimum is provided in the Disaster Recovery/Business Continuity Plan in respect of any particular application.

(c) Testing. Receiving Party will test the Disaster Recovery/Business Continuity Plan on at least an annual basis or more often as required by any regulatory authority having authority over Receiving Party.

(d) Priority. If a disaster or major site impact occurs involving the need to recover operations at a Service Location or to operate from a fallback site and, as a result, it is necessary for Receiving Party or its Subcontractors to allocate limited resources between or among several organizations, Receiving Party shall not treat Disclosing Party less favorably than any other customer for purposes of allocation of such resources.

#### **ARTICLE IV COSTS AND DISBURSEMENTS**

Section 4.01. Costs and Disbursements. (a) Except as otherwise provided in this Agreement, a Recipient of Services shall pay to the Provider of such Services a fee for the Services (or category of Services, as applicable) (each fee constituting a "Service Charge" and, collectively, "Service Charges") as listed on the Schedules. During the term of this Agreement, the amount of a Service Charge for any Services (or category of Services, as applicable) may increase or decrease to the extent of: (i) any increases or decreases mutually agreed to by the Parties, (ii) any Service Charges applicable to any Additional Services, Service Increases, Service Decreases or New Services, and (iii) any increase or decrease in the rates or charges imposed by any unaffiliated third-party provider that is providing Services.

(b) Except as otherwise provided in this Agreement or the Schedules, the Recipient shall reimburse the Provider for reasonable out-of-pocket costs and expenses incurred by the Provider or its Affiliates in connection with providing the Services (including necessary travel-related expenses) to the extent that such costs and expenses are not reflected in the Service Charge for such Services (each such cost or expense, a "Reimbursement Charge" and, collectively, "Reimbursement Charges"); provided, however, that any such cost or expense that is materially inconsistent with historical practice between the Parties for any Service (including business travel-related expenses) shall require advance approval of the Recipient. Any authorized travel-related expenses incurred in performing the Services shall be incurred and charged to the Recipient in accordance with the Provider's then-applicable business travel policies.

(c) Unless otherwise provided on a Schedule, each Provider shall prepare a monthly invoice that reflects all Service Charges and Reimbursement Charges with respect to the Services provided to each Recipient during the prior calendar month; provided, however, that to the extent any third-party costs and expenses are to be included in any Service Charges or Reimbursement Charges, each Provider shall have up to 60 days following receipt of the applicable invoice for such third-party costs or expenses before invoicing to each Recipient. Such invoice shall be submitted to the Recipient within 30 calendar days following the end of the prior calendar month and shall provide the Recipient with documentation reasonably necessary to support the calculation of such Service Charges and any Reimbursement Charges.

(d) The Recipient shall pay the amount of each monthly invoice of Service Charges and Reimbursement Charges by wire transfer (or such other method of payment as may be agreed between the Parties) to the Provider within 30 calendar days of the receipt of each such invoice, including appropriate documentation as described herein, as instructed by the Provider. In the absence of a timely notice of a billing dispute in accordance with the provisions of Article VII of the Separation and Distribution Agreement, if the Recipient fails to pay such undisputed amount by the due date, the Recipient shall be obligated to pay to the Provider, in addition to the amount due, interest at an annual default interest rate of the Prime Rate plus two percent (2%) per annum, or the maximum legal rate, whichever is lower (the "Interest Payment"), accruing from the date the payment was due through the date of actual payment. In the event of any billing dispute, the Recipient shall promptly pay any undisputed amount. All amounts due and payable hereunder shall be invoiced and paid in U.S. dollars.

(e) Subject to the confidentiality provisions set forth in Section 8.03, each Party shall, and shall cause their respective Affiliates to, provide, upon 10 days' prior written notice from the other Party, any information within such Party's or its Affiliates' possession that the requesting Party reasonably requests in connection with any Services being provided to such requesting Party by an unaffiliated third-party provider, including any applicable invoices, agreements documenting the arrangements between such third-party provider and the Provider and other supporting documentation; provided, however, that each Party shall make no more than one such request during any fiscal quarter.

#### Section 4.02. Tax Matters.

(a) Without limiting any provisions of this Agreement, the Recipient shall be responsible for (i) all excise, sales, use, transfer, stamp, documentary, filing, recordation and other similar Taxes, (ii) all value added, goods and services or similar recoverable indirect Taxes, if any, and (iii) any related interest and penalties incurred solely as a result of the Recipient's failure to timely pay such Taxes to Provider (collectively, "Transfer Taxes"), in each case imposed or assessed as a result of the provision of Services by the Provider. The Party required to account for Transfer Tax shall provide to the other Party evidence of the remittance of the amount of such Transfer Tax to the relevant Governmental Authority. The Provider agrees that it shall take commercially reasonable actions to cooperate with the Recipient in obtaining any refund, return, rebate, exemption, or the like of any Transfer Tax, including by filing any necessary exemption or other similar forms, certificates, or other similar documents. The Recipient shall promptly reimburse the Provider for any costs incurred by the Provider or its Affiliates in connection with the Recipient obtaining a refund or overpayment of refund, return, rebate, exemption, or the like of any Transfer Tax. For the avoidance of doubt, any applicable gross receipts-based or net income-based Taxes shall be borne by the Provider.

(b) The Recipient shall be entitled to deduct and withhold Taxes required by any Governmental Requirements to be withheld on payments made pursuant to this Agreement. To the extent any amounts are so withheld, the Recipient shall (i) pay, in addition to the amount otherwise due to the Provider under this Agreement, such additional amount as is necessary to ensure that the net amount actually received by the Provider will equal the full amount the Provider would have received had no such deduction or withholding been required, (ii) pay such deducted and withheld amount to the proper Governmental Authority, and (iii) promptly provide

to the Provider evidence of such payment to such Governmental Authority. The Provider shall, prior to the date of any payment to be made pursuant to this Agreement, at the request of the Recipient, make commercially reasonable efforts to provide the Recipient any certificate or other documentary evidence (x) required by Governmental Requirements or (y) which the Provider is entitled by Governmental Requirements to provide in order to reduce the amount of any Taxes that may be deducted or withheld from such payment and the Recipient agrees to accept and act in reliance on any such duly and properly executed certificate or other applicable documentary evidence.

(c) If the Provider (i) receives any refund (whether by payment, offset, credit or otherwise) or (ii) utilizes any overpayment of Taxes that are borne by Recipient pursuant to this Agreement, then the Provider shall promptly pay, or cause to be paid, to the Recipient an amount equal to the deficiency or excess, as the case may be, with respect to the amount that the Recipient has borne if the amount of such refund or overpayment (including, for the avoidance of doubt, any interest or other amounts received with respect to such refund or overpayment) had been included originally in the determination of the amounts to be borne by Recipient pursuant to this Agreement, net of any additional Taxes and costs the Provider incurs or will incur as a result of the receipt of or in obtaining such refund or such overpayment.

Section 4.03. No Right to Set-Off. The Recipient shall timely pay the full amount of Service Charges and Reimbursement Charges and, except in the case of amounts disputed in good faith, shall not set-off, counterclaim or otherwise withhold any amount owed to the Provider under this Agreement on account of any obligation owed by the Provider to the Recipient.

## **ARTICLE V STANDARD FOR SERVICE**

Section 5.01. Standard for Service. (a) The Provider agrees (i) to perform the Services with substantially the same nature, quality, standard of care and service levels at which the same or similar services were performed by or on behalf of the Provider (or its predecessor) during the 12 months prior to the Distribution Date or as otherwise provided in the Schedules or; and (ii) upon receipt of written notice from the Recipient identifying any outage, interruption or other failure of any Service, except as otherwise provided in the Schedules, to respond to such outage, interruption or other failure of such Service in a manner that is substantially similar to the manner in which such Provider or its Affiliates responded to any outage, interruption or other failure of the same or similar services prior to the Distribution Date. Except as otherwise provided in the Schedules, the Parties acknowledge that an outage, interruption or other failure of any Service shall not be deemed to be a breach of the provisions of this Section 5.01 so long as the applicable Provider complies with the foregoing clause (ii).

(b) Nothing in this Agreement shall require the Provider to perform or cause to be performed any Service to the extent the manner of such performance would be prohibited by or constitute a violation of applicable Law or any existing contract or agreement with a third party. If the Provider is or becomes aware of any potential violation on the part of the Provider, the Provider shall promptly send a written notice to the Recipient of any such potential violation. The Parties each agree to cooperate and use commercially reasonable efforts to obtain any

necessary third-party consents required under any existing contract or agreement with a third party to allow the Provider to perform or cause to be performed any Service in accordance with the standards set forth in Section 5.01(a) and/or the applicable Schedule. Any costs and expenses incurred by either Party in connection with obtaining any such third-party consent that is required to allow the Provider to perform or cause to be performed any Service shall be solely the responsibility of the Recipient. If, with respect to a Service, the Parties, despite the use of such commercially reasonable efforts, are unable to obtain a required third-party consent or the performance of such Service by the Provider would continue to constitute a violation of applicable Laws, the Provider shall use commercially reasonable efforts in good faith to provide such Services in a manner as closely as possible to the standards described in Section 5.01(a) and in the applicable Schedules.

Section 5.02. Disclaimer of Warranties. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT (INCLUDING THE SCHEDULES AND EXHIBITS HERETO), THE PARTIES ACKNOWLEDGE AND AGREE THAT THE SERVICES ARE PROVIDED AS-IS, THAT EACH RECIPIENT ASSUMES ALL RISKS AND LIABILITY ARISING FROM OR RELATING TO ITS USE OF AND RELIANCE UPON THE SERVICES AND EACH PROVIDER, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, MAKES NO REPRESENTATION OR WARRANTY WITH RESPECT THERETO. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT (INCLUDING THE SCHEDULES AND EXHIBITS HERETO), TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, EACH PROVIDER HEREBY EXPRESSLY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES REGARDING THE SERVICES, WHETHER EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, INCLUDING ANY REPRESENTATION OR WARRANTY IN REGARD TO QUALITY, PERFORMANCE, NONINFRINGEMENT, COMMERCIAL UTILITY, MERCHANTABILITY OR FITNESS OF ANY SERVICE FOR A PARTICULAR PURPOSE.

Section 5.03. Compliance with Laws and Regulations. Each Party shall be responsible for its own compliance and its Subcontractors' compliance with any and all Laws applicable to its performance under this Agreement, including, without limitation, Laws applicable to a Receiving Party's obligations under Section 3.05. No Party shall knowingly take any action in violation of any such applicable Law that results in liability being imposed on the other Party.

**ARTICLE VI  
LIMITED LIABILITY AND INDEMNIFICATION**

Section 6.01. Consequential and Other Damages. Other than with respect to servicing and collections activities that are Navient Liabilities pursuant to Section 2.3(a)(i)(B) of the Separation and Distribution Agreement, notwithstanding anything to the contrary contained in the Separation and Distribution Agreement or this Agreement, except for breaches of confidentiality obligations (including, without limitation, breach of confidentiality obligations relating to customer information or a Receiving Party's breach of Section 3.05), or in the case of bad faith, gross negligence or willful misconduct (including the willful refusal to provide Services), no Party shall be liable to the other Party or any of its Affiliates or Representatives, whether in contract, tort (including negligence and strict liability) or otherwise, at law or equity, for any special, indirect, incidental, punitive or consequential damages whatsoever (including

lost profits or damages calculated on multiples of earnings approaches), which in any way arise out of, relate to or are a consequence of, the performance or nonperformance by such Party (including any Affiliates and Representatives and any unaffiliated third-party providers, in each case, providing any applicable Services) under this Agreement or the provision of, or failure to provide, any Services under this Agreement, including with respect to loss of profits, business interruptions or claims of customers, even if such Party has been advised of the possibility of such damages.

Section 6.02. Limitation of Liability.

(a) Other than with respect to servicing and collections activities that are Navient Liabilities pursuant to Section 2.3(a)(i)(B) of the Separation and Distribution Agreement, and except as otherwise provided on a Schedule, the Liabilities of each Provider and its Affiliates and Representatives, collectively, under this Agreement for any act or failure to act in connection herewith (including the performance or breach of this Agreement), or from the sale, delivery, provision or use of any Services provided under or contemplated by this Agreement, whether in contract, tort (including negligence and strict liability) or otherwise, at law or equity, except for breaches of confidentiality obligations (including, without limitation, breach of confidentiality obligations relating to customer information or a Receiving Party's breach of Section 3.05) or in the case of bad faith, gross negligence or willful misconduct (including the willful refusal to provide Services), shall not exceed the total aggregate Service Charges (excluding for the avoidance of doubt any Reimbursement Charges) actually paid to such Provider pursuant to this Agreement; provided, that until the Operational Servicing Date, Navient's Liabilities under Statement of Work A (IT Hosting) to Schedule 1 shall be limited as provided in paragraph (b) below.

(b) Notwithstanding the limitation set forth in paragraph (a) above and except for breaches of confidentiality obligations (including, without limitation, breach of confidentiality obligations relating to customer information or a Navient's breach of Section 3.05) or in the case of bad faith, gross negligence or willful misconduct (including the willful refusal to provide Services), the aggregate Liabilities of Navient and its Affiliates and Representatives, collectively, under this Agreement for Navient's act or failure to act under Statement of Work A (IT Hosting) to Schedule 1 (including the performance or breach of Statement of Work A) occurring prior to the Operational Servicing Date shall be limited as follows: (1) Navient shall not be liable for the first \$10,000,000 of Liabilities incurred by SLM BankCo attributable to such breach, and (2) if SLM BankCo's Liabilities exceed \$10,000,000, then Navient shall be liable for the next \$35,000,000 of such SLM BankCo Liabilities over \$10,000,000.

Section 6.03. Obligation To Re-perform; Liabilities. In the event of any breach of this Agreement by any Provider with respect to the provision of any Services (with respect to which the Provider can reasonably be expected to re-perform in a commercially reasonable manner), the Provider shall (a) promptly correct in all material respects such error, defect or breach or re-perform in all material respects such Services at the request of the Recipient and at the sole cost and expense of the Provider and (b) subject to the limitations set forth in Sections 6.01 and 6.02, reimburse the Recipient and its Affiliates and Representatives for Liabilities attributable to such breach by the Provider. Except as provided on a Schedule, the remedy set forth in this Section 6.03

shall be the sole and exclusive remedy of the Recipient for any such breach of this Agreement solely in the event that re-performance is possible in a commercially reasonable manner. Any request for re-performance in accordance with this Section 6.03 by the Recipient must be in writing and specify in reasonable detail the particular error, defect or breach, and such request must be made no more than one month from the date such error, defect or breach becomes apparent or should have reasonably become apparent to the Recipient.

Section 6.04. Indemnification. Subject to the limitations and other provisions of this Agreement, the provisions of Article IV of the Separation and Distribution Agreement shall govern indemnification matters and procedures arising under or in connection with this Agreement.

Section 6.05. Liability for Payment Obligations. Nothing in this Article VI shall be deemed to eliminate or limit, in any respect, Navient's or SLM BankCo's express obligation in this Agreement to pay Service Charges and Reimbursement Charges for Services rendered in accordance with this Agreement.

Section 6.06. Exclusion of Other Remedies. Except as otherwise provided in the Schedules hereto, the provisions of Sections 6.03 of this Agreement shall, to the maximum extent permitted by applicable Law, be the sole and exclusive remedies of the Provider Indemnified Parties and the Recipient Indemnified Parties, as applicable, for any claim, loss, damage, expense or liability, whether arising from statute, principle of common or civil law, principles of strict liability, tort, contract or otherwise under this Agreement.

## **ARTICLE VII TERM AND TERMINATION**

Section 7.01. Term and Termination. (a) This Agreement shall commence immediately upon the Distribution Date and shall terminate upon the earlier to occur of: (i) the last date on which either Party is obligated to provide any Service to the other Party in accordance with the terms of this Agreement (not to extend beyond the two-year anniversary of this Agreement) or (ii) the mutual written agreement of the Parties to terminate this Agreement in its entirety.

(b) (i) Without prejudice to a Recipient's rights with respect to a Force Majeure set forth in Section 7.03, and except as otherwise set forth in a Schedule, a Recipient may from time to time terminate this Agreement with respect to the entirety of any individual Service but not a portion thereof:

(A) for any reason or no reason, upon providing at least 30 days' prior written notice to the Provider; provided, however, that the Recipient shall pay to the Provider the necessary and reasonable documented out-of-pocket costs incurred in connection with the wind down of such Service other than any employee severance and relocation expenses, but including unamortized license fees and costs for equipment used to provide such Service, contractual obligations under agreements used to provide such Service, any breakage or termination fees and any other termination costs payable by the Provider with respect to any resources or pursuant to any

other third-party agreements that were used by the Provider to provide such Service (or an equitably allocated portion thereof, in the case of any such equipment, resources or agreements that also were used for purposes other than providing Services) (“Termination Charges”); or

(B) if the Provider of such Service has failed to perform any of its material obligations under this Agreement with respect to such Service, unless the Provider has (x) cured such failure within the 30-day period following receipt by the Provider of a written notice of such failure from the Recipient or, (y) the Provider has made substantial progress to cure such failure and implemented a plan that results in a cure of such failure within 60 days of receipt by the Provider of the written notice from the Recipient.

(ii) A Provider may terminate this Agreement with respect to one or more Services, in whole but not in part, at any time upon prior written notice to the Recipient if the Recipient has failed to perform any of its material obligations under this Agreement relating to such Services, including making payment of Service Charges and Reimbursement Charges when due, unless the Recipient has (x) cured such failure within the 30-day period following receipt by the Recipient of a written notice of such failure from the Provider or, (y) other than the Recipient’s failure to pay Service Charges or Reimbursement Charges when due (which is governed by clause (x)), the Recipient has made substantial progress to cure such breach and implemented a plan that results in a cure of such breach within 60 days of receipt by the Recipient of the written notice from the Provider. The relevant Schedule shall be updated to reflect any terminated Service.

(iii) In the event that any Service is terminated other than at the end of a month, the Service Charge associated with such Service shall be pro-rated appropriately. The Parties acknowledge that there may be interdependencies among the Services being provided under this Agreement that may not be identified on the applicable Schedules and agree that, if the Provider’s ability to provide a particular Service in accordance with this Agreement is materially and adversely affected by the termination of another Service in accordance with this Section 7.01(b), then the Parties shall negotiate in good faith to amend the Schedule relating to such affected continuing Service, which amendment shall be consistent with the terms of, and the pricing methodology used for, comparable Services.

(c) In connection with the termination of any Service identified on the Schedules as being subject to the provisions of this Section 7.01(c), if the Recipient reasonably determines that it will require such Service to continue beyond the date on which such Service is scheduled to terminate in the applicable Schedule, the Recipient may request the Provider to extend such Service for up to six months (unless otherwise provided in the Schedule applicable to such Service) (each, a “Service Extension”) by written notice to the Provider no less than 90 days prior to the date of such scheduled termination, and the Parties shall use commercially reasonable efforts to comply with such Service Extension; provided, however, that (i) there shall be no more than one Service Extension with respect to each Service, (ii) the Provider shall not be obligated to provide such Service Extension if a third-party consent is required and cannot be



obtained by the Provider, (iii) each Service Extension shall be permissible under applicable Law, including bank and bank holding company regulations, and (iv) no Service Extension may extend past the conclusion of the Preferred Stock Period. Unless otherwise agreed, Service Charges relating to any Service Extension shall be increased by 5% of the Service Charge reflected on the Schedules with respect to such Service. Within five days following either Party's receipt of a written notice requesting a Service Extension, the Navient Services Manager and the SLM BankCo Services Manager shall in good faith (x) negotiate the terms of an amendment to the applicable Schedule, which amendment shall be consistent with the terms of, and the pricing methodology used for, the applicable Service (subject to the 5% increase of the applicable Service Charges, as described above); and (y) determine the costs and expenses (which shall not include any Service Charges payable under this Agreement), if any, that would be incurred by the Provider or the Recipient, as the case may be, in connection with the provision of such Service Extension, which costs and expenses shall be borne solely by the Recipient. Each such amended Schedule, as agreed to in writing by the Parties, shall be deemed part of this Agreement as of the date of such agreement and any Services provided pursuant to such Service Extensions shall be deemed "Services" provided under this Agreement, in each case subject to the terms and conditions of this Agreement. If a Recipient requests any subsequent extension of Services, such extension shall be subject to mutual agreement of the Parties and shall be provided at a mutually agreed market rate.

Section 7.02. Effect of Termination. Upon termination of any Service pursuant to this Agreement, the Provider of the terminated Service will have no further obligation to provide the terminated Service, and the relevant Recipient will have no obligation to pay any future Service Charges relating to any such Service; provided, however, that the Recipient shall remain obligated to the relevant Provider for (a) the Service Charges, Reimbursement Charges, and Transfer Taxes owed and payable in respect of Services provided prior to the effective date of termination and (b) any applicable Termination Charges payable in the event that the Recipient terminates such Service pursuant to Section 7.01(b)(i)(A). In connection with the termination of any Service, the provisions of this Agreement not relating solely to such terminated Service shall survive any such termination, and in connection with a termination of this Agreement, Article I, Article VI (including liability in respect of any indemnifiable Liabilities under this Agreement arising or occurring on or prior to the date of termination), Article VII, Article VIII, Section 3.05 (so long as the Receiving Party continues to hold or store Confidential Information) and liability for all due and unpaid Service Charges, Reimbursement Charges, Termination Charges and Transfer Taxes, shall continue to survive indefinitely.

Section 7.03. Force Majeure. Notwithstanding anything to the contrary herein, if either party is rendered unable, in whole or in part, by a Force Majeure to satisfy its obligations under this Agreement, such party shall not be deemed to have breached any such obligation upon delivery of written notice of such event to the other Party hereto, for so long as such party remains unable to perform such obligation as a result of such event. The following events shall not constitute force majeure events: (a) acts or omissions of subcontractors; and (b) delays or failures to the extent they could have been avoided or their impact mitigated through the use of commercially reasonable business continuity measures. If either Party is unable to materially perform its obligations under this Agreement and its performance is excused pursuant to this Section 7.03 for a period of 30 consecutive days, the other Party may terminate this Agreement upon at least three business days' written notice and shall not be required to pay any Termination Charges pursuant to Section 7.01(b).

**ARTICLE VIII  
GENERAL PROVISIONS**

Section 8.01. No Agency. Nothing in this Agreement shall be deemed in any way or for any purpose to constitute any Party an agent of an unaffiliated party in the conduct of such other Party's business. A Provider of any Service under this Agreement shall act as an independent contractor and not as the agent of the Recipient in performing such Service, maintaining control over its employees, its subcontractors and their employees and complying with all withholding of income at source requirements, whether federal, national, state, local or foreign.

Section 8.02. Subcontractors. A Provider may hire or engage one or more subcontractors to perform any or all of its obligations under this Agreement; provided, however, that (a) such Provider shall use the same degree of care in selecting any such subcontractor as it would if such contractor was being retained to provide similar services to the Provider and (b) such Provider shall in all cases remain primarily responsible for all of its obligations under this Agreement with respect to the scope of the Services, the standard for services as set forth in Article V and the content of the Services provided to the Recipient.

Section 8.03. Treatment of Confidential Information. (a) The Parties shall not, and shall cause all other persons providing Services or having access to information of the other Party that is confidential or proprietary (including, without limitation, Disclosing Party Customer Information, "Confidential Information") not to, disclose to any other person or use, except for purposes of this Agreement, any Confidential Information of the other Party; provided, however, that the Confidential Information may be used by such Party to the extent that such Confidential Information has been (i) in the public domain through no fault of such Party or any member of such Group or any of their respective Representatives, (ii) later lawfully acquired from other sources by such Party (or any member of such Party's Group) which sources are not themselves bound by a confidentiality obligation or (iii) independently generated without reference to any Confidential Information of the other Party; provided, further, that each Party may disclose Confidential Information of the other Party, to the extent not prohibited by applicable Law: (i) to its Representatives on a need-to-know basis in connection with the performance of such Party's obligations under this Agreement; (ii) in any report, statement, testimony or other submission required to be made to any Governmental Authority having jurisdiction over the disclosing Party; or (iii) in order to comply with applicable Law, or in response to any summons, subpoena or other legal process or formal or informal investigative demand issued to the disclosing Party in the course of any litigation, investigation or administrative proceeding. In the event that a Party becomes legally compelled (based on advice of counsel) by deposition, interrogatory, request for documents subpoena, civil investigative demand or similar judicial or administrative process to disclose any Confidential Information of the other Party, such disclosing Party shall provide the other Party with prompt prior written notice of such requirement, and, to the extent reasonably practicable, cooperate with the other Party (at such other Party's expense) to obtain a protective order or similar remedy to cause such Confidential Information not to be disclosed, including interposing all available objections thereto, such as objections based on settlement privilege. In the event that such protective order or other similar remedy is not obtained, the disclosing Party

shall furnish only that portion of the Confidential Information that has been legally compelled, and shall exercise its commercially reasonable efforts (at such other Party's expense) to obtain assurance that confidential treatment will be accorded such Confidential Information.

(b) Upon the termination of this Agreement, either Party may request, in such Party's sole discretion, that all Confidential Information belonging to such Party either be promptly returned to such Party or promptly destroyed by the other Party, and in either case not retained by such other Party or its Affiliates or their respective Subcontractors in any form. Notwithstanding anything to the contrary contained herein, each Party's legal department may retain an archival copy of all or any portion of such Confidential Information to the extent required by applicable Law. The rights and obligations of the Parties regarding the non-disclosure and use of Confidential Information exchanged under this Agreement shall survive any return, retention or destruction of any Confidential Information.

(c) All Confidential Information shall remain the property of the Disclosing Party.

(d) Each Party shall, and shall cause its Representatives to, protect the Confidential Information of the other Party by using the same degree of care to prevent the unauthorized disclosure of such as the Party uses to protect its own confidential information of a like nature, but in any event no less than a reasonable degree of care.

(e) Each Party shall be liable for any failure by its respective Representatives to comply with the restrictions on use and disclosure of Confidential Information contained in this Agreement.

(f) Each Party shall comply with all applicable local, state, national, federal and foreign privacy and data protection Laws that are or that may in the future be applicable to the provision of Services under this Agreement.

Section 8.04. Further Assurances. Each Party covenants and agrees that, without any additional consideration, it shall execute and deliver any further legal instruments and perform any acts that are or may become necessary to effectuate this Agreement.

Section 8.05. Dispute Resolution. Any Dispute shall be resolved in accordance with the procedures set forth in Article VII and Section 10.13 of the Separation and Distribution Agreement, which shall be the sole and exclusive procedures for the resolution of any such Dispute unless otherwise specified herein or in Article VII or Section 10.13 of the Separation and Distribution Agreement.

Section 8.06. Notices. Except with respect to routine communications by the Navient Services Manager and the SLM BankCo Services Manager under Section 2.06, all notices, requests, claims, demands and other communications under this Agreement shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by overnight courier service, by facsimile or electronic transmission with receipt confirmed (followed by delivery of an original via overnight courier service) or by registered or certified mail (postage prepaid, return receipt requested) to the respective Parties at the following addresses (or at such other address for a Party as shall be specified in a notice given in accordance with this Section 8.06):

- (i) if to Navient:

Navient Corporation  
Attention: Paul Mayer  
2001 Edmund Halley Drive  
Reston, Virginia 20191

with copies to:

Navient Corporation  
Attention: General Counsel  
2001 Edmund Halley Drive  
Reston, Virginia 20191

- (ii) if to SLM BankCo:

SLM Corporation  
Attention: Paul Thome  
175 South West Temple, 6th Floor  
Salt Lake City, UT 84101

with copies to:

SLM Corporation  
Attention: General Counsel  
300 Continental Drive  
Newark, Delaware 19713:

Section 8.07. Severability. If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any Law or as a matter of public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Agreement be consummated as originally contemplated to the greatest extent possible.

Section 8.08. Entire Agreement. This Agreement, together with the documents referenced herein (including the Schedules, the Separation and Distribution Agreement and any other Ancillary Agreements) constitutes the entire agreement between the Parties and their respective Affiliates with respect to the subject matter hereof and supersedes all prior written and

oral and all contemporaneous oral agreements, negotiations, discussions, writings, understandings, commitments and conversations with respect to such subject matter, and there are no agreements or understandings between the Parties other than those set forth or referred to herein or therein.

Section 8.09. No Third-Party Beneficiaries. Except as provided in Article VI with respect to Provider Indemnified Parties and Recipient Indemnified Parties, this Agreement is for the sole benefit of the Parties and their permitted successors and assigns and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person, including any union or any employee or former employee of Navient or SLM BankCo, any legal or equitable right, benefit or remedy of any nature whatsoever, including any rights of employment for any specified period, under or by reason of this Agreement.

Section 8.10. Governing Law. This Agreement (and any claims or disputes arising out of or related to this Agreement or to the transactions contemplated by this Agreement or to the inducement of any Party to enter into this Agreement or the transactions contemplated by this Agreement, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall in all respects be governed by, and construed in accordance with, the Laws of the State of Delaware, including all matters of construction, validity and performance, in each case without reference to any conflict of Law rules that might lead to the application of the Laws of any other jurisdiction.

Section 8.11. Amendment; Waiver. No provision of this Agreement, including any Schedules to this Agreement, may be amended, supplemented or modified except by a written instrument making specific reference to this Agreement or any such Schedules to this Agreement, as applicable, signed by each of the Parties. Waiver by a Party of any default by the other Party of any provision of this Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default, nor shall it prejudice the rights of the waiving Party.

Section 8.12. Rules of Construction. Interpretation of this Agreement shall be governed by the following rules of construction: (a) words in the singular shall be held to include the plural and vice versa, and words of one gender shall be held to include the other gender as the context requires; (b) references to the terms Article, Section, paragraph, Exhibit and Schedule are references to the Articles, Sections, paragraphs, Exhibits and Schedules of this Agreement unless otherwise specified; (c) references to "\$" shall mean U.S. dollars; (d) the word "including" and words of similar import when used in this Agreement shall mean "including without limitation," unless otherwise specified; (e) the word "or" shall not be exclusive; (f) references to "written" or "in writing" include in electronic form; (g) provisions shall apply, when appropriate, to successive events and transactions; (h) the headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement; (i) Navient and SLM BankCo have each participated in the negotiation and drafting of this Agreement and if an ambiguity or question of interpretation should arise, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or burdening either Party by virtue of the authorship of any of the provisions in this Agreement or any interim drafts of this Agreement; (j) a reference to any Person includes such Person's successors and permitted assigns; (k) any reference to "days" means calendar days unless Business Days are expressly specified; and (l) when calculating the period of time before

which, within which or following which any act is to be done or step taken pursuant to this Agreement, the date that is the reference date in calculating such period shall be excluded, and if the last day of such period is not a Business Day, the period shall end on the next succeeding Business Day.

Section 8.13. Counterparts. This Agreement may be executed in one or more counterparts, and by each Party in separate counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or portable document format (PDF) shall be as effective as delivery of a manually executed counterpart of this Agreement.

Section 8.14. Assignability. This Agreement shall not be assigned or transferred by operation of Law or otherwise without the prior written consent of Navient and SLM BankCo, except that each Party may:

(a) assign all of its rights and obligations under this Agreement to any of its Subsidiaries; provided, that no such assignment shall release Navient or SLM BankCo, as the case may be, from any liability or obligation under this Agreement;

(b) in connection with the divestiture of any Subsidiary or business of such Party that is a Recipient to an acquiror that is not a competitor of the Provider, assign to the acquiror of such Subsidiary or business its rights and obligations as a Recipient with respect to the Services provided to such divested Subsidiary or business under this Agreement; provided, however, that (i) no such assignment shall release Navient or SLM BankCo, as the case may be, from any liability or obligation under this Agreement; (ii) any and all costs and expenses incurred by either Party in connection with such assignment (including in connection with clause (iii) of this proviso) shall be borne solely by the assigning Party; and (iii) the Parties shall in good faith negotiate any amendments to this Agreement, including the Schedules and Exhibits hereto, that may be necessary or appropriate in order to assign such Services; and

(c) in connection with the divestiture of any Subsidiary or business of such Party that is a Recipient to an acquiror that is a competitor of the Provider, assign to the acquiror of such Subsidiary or business its rights and obligations as a Recipient with respect to the Services provided to such divested Subsidiary or business under this Agreement; provided, however, that (i) no such assignment shall release Navient or SLM BankCo, as the case may be, from any liability or obligation under this Agreement; (ii) any and all costs and expenses incurred by either Party in connection with such assignment (including in connection with clause (iii) of this proviso) shall be borne solely by the assigning Party; (iii) the Parties shall in good faith negotiate any amendments to this Agreement, including the Schedules and Exhibits hereto, that may be necessary or appropriate in order to ensure that such assignment will not (x) materially and adversely affect the businesses and operations of each of the Parties and their respective Affiliates or (y) create a competitive disadvantage for the Provider with respect to an acquiror that is a competitor; and (iv) no Party shall be obligated to provide any such assigned Services to an acquiror that is a competitor if the provision of such assigned Services to such acquiror would disrupt the operation of such Party's businesses or create a competitive disadvantage for such Party with respect to such acquiror.

Section 8.15. Public Announcements. From and after the Distribution Date, the Parties shall consult with each other before issuing, and give each other the opportunity to review and comment upon, that portion of any press release or other public statement that relates to the transactions contemplated by this Agreement, and shall not issue any such press release or make any such public statement prior to such consultation, except (a) as may be required by applicable Law, court process or by obligations pursuant to any listing agreement with any national securities exchange or national securities quotation system; or (b) as otherwise set forth in the Separation and Distribution Agreement.

Section 8.16. Non-Recourse. No past, present or future director, officer, employee, incorporator, member, partner, shareholder, Affiliate, agent, attorney or representative of either Navient or SLM BankCo or their Affiliates shall have any liability for any obligations or liabilities of Navient or SLM BankCo, respectively, under this Agreement or for any claims based on, in respect of, or by reason of, the transactions contemplated by this Agreement.

Section 8.17. Audit Rights. Each Party may, at such Party's sole cost and expense, from time to time (but no more frequently than once per year) audit the books and records of the other Party reasonably relating to the Services that the other Party is obligated to provide under this Agreement and to otherwise verify such Party's compliance with the terms and conditions of this Agreement. Each Party shall reasonably cooperate with any audit conducted by the other Party pursuant to this Section 8.17; provided that the Party conducting the audit shall give the other Party reasonable written notice of any audit, but in no event less than 30 days' notice, prior to such audit. Any audit pursuant to this Section 8.17 shall be conducted during normal business hours for the applicable location in a manner that does not materially disrupt the operations of the other Party. The Parties acknowledge and agree that the audit rights and limitations provided in this Section 8.17 are independent from the audit rights and limitations provided in Section 3.05(e).

Section 8.18. Title to Intellectual Property. Except as expressly provided for under the terms of this Agreement (including the Schedules and Exhibits hereto), each Party acknowledges that it shall acquire no right, title or interest (including any license rights or rights of use) in any Intellectual Property which is owned or licensed by the other Party, by reason of the provision or receipt of the Services provided hereunder. Neither Party shall remove or alter any copyright, trademark, confidentiality or other proprietary notices that appear on any Intellectual Property owned or licensed by the other Party. Neither Party shall attempt to decompile, translate, reverse engineer or make excessive copies of any Intellectual Property owned or licensed by the other Party, and each Party shall promptly notify the other Party of any such attempt, regardless of whether by the notifying Party or any third party, of which the notifying Party becomes aware.

Section 8.19. Order of Precedence. The following shall apply to the extent of any conflict among the terms in the various documents within this Agreement (including Schedules and Exhibits):

(a) to the extent the conflicting provisions can reasonably be interpreted so that such provisions are consistent with each other, such consistent interpretations will prevail; and

(b) to the extent paragraph (a) above does not resolve such conflict, then the Schedules and Exhibits will prevail over a conflicting term in this Agreement.

*[The remainder of this page is intentionally left blank.]*



IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed on the date first written above by their respective duly authorized officers.

**NAVIENT CORPORATION**

By: /s/ John F. Remondi  
Name: John F. Remondi  
Title: Chief Executive Officer

**SLM CORPORATION**

By: /s/ Raymond Quinlan  
Name: Raymond Quinlan  
Title: Chief Executive Officer

**Exhibit I**  
**Services Managers**

**Overall Services Managers**

<u>Initial SLM BankCo Services Manager:</u>	Paul Thome
<u>Initial Navient Services Manager:</u>	Paul Mayer

**Service Schedule Services Managers**

**Schedule 1 (Comprehensive IT):**

<u>Initial SLM BankCo Services Manager:</u>	Mike Brannon
<u>Initial Navient Services Manager:</u>	Mary Jo Adams

**Schedule 2 (Short-Term Shared Loan Servicing):**

<u>Initial SLM BankCo Services Manager:</u>	Tim Hanrahan
<u>Initial Navient Services Manager:</u>	Mike Maier

**Schedule 3 (Customer Experience):**

<u>Initial SLM BankCo Services Manager:</u>	Tim Hanrahan
<u>Initial Navient Services Manager:</u>	Lisa Stashik

**Schedule 4 (Trust Administration):**

<u>Initial SLM BankCo Services Manager:</u>	Lance Welch
<u>Initial Navient Services Manager:</u>	Scott Booher

**Schedule 5 (Facilities Services):**

<u>Initial SLM BankCo Services Manager:</u>	Larry Zepp
<u>Initial Navient Services Manager:</u>	Joe Muffler

**Schedule 6 (Third Party TSA Support):**

Initial SLM BankCo Services Manager: David O'Connell

Initial Navient Services Manager: Mary Jo Adams

**Schedule 7 (Government Relations):**

Initial SLM BankCo Services Manager: Rick Nelson

Initial Navient Services Manager: Tim Morrison

**Schedule 8 (Services Business Development Support and IT Services Support):**

Initial SLM BankCo Services Manager: Kirk Etten

Initial Navient Services Manager: Wendy Kincaid

**Schedule 9 (Financial and HR Systems Support Services)**

Initial SLM BankCo Services Manager: Brian Carp

Initial Navient Services Manager: Peter Strang

**Exhibit II**  
**DISCLOSING PARTY SECURITY REQUIREMENTS**

Access to Disclosing Party Confidential Information (including, without limitation, any non-public personal information or personally identifiable information of customers or consumers for which the Disclosing Party is the custodian) shall, subject to the other applicable provisions of the Agreement, be restricted to the Receiving Party with whom the Disclosing Party is contracting under the Agreement and the employees and, to the extent permitted by the Agreement, the permitted Subcontractors of the Disclosing Party (and their respective personnel) (each, including the Receiving Party, an “Accessing Party”) who (1) shall provide the Services under the Agreement and (2) have been properly trained and instructed as to all obligations set forth in the Agreement and this Exhibit H with respect to the access and use of such Disclosing Party Confidential Information. Any Accessing Party hardware or software used to access, process, store or transmit any Disclosing Party Confidential Information shall be referred to herein as an “Affected Computing Device.” In order to prevent unauthorized use, access, modification, or disruption to Disclosing Party Confidential Information, information security measures shall be implemented with respect to any Affected Computing Device.

In addition to the security of Affected Computing Devices, this Exhibit must take a broader view of security. The security of these devices is dependent upon the Accessing Party maintaining a secure infrastructure that implements an array of industry standard controls. Therefore, this Exhibit covers the infrastructure necessary to protect the Affected Computing Device. This does not cover the Accessing Party’s entire infrastructure and controls regime, but only the slice which assures the security of the Affected Computing Devices.

**Access Control**

1. Access to Affected Computing Devices shall be configured with the concept of “Least Privilege” enforced. Access to Affected Computing Devices shall be granted only to those individuals who shall have it in order to provide the Services.
2. Access to Affected Computing Devices shall be granted in line with formally documented user administration processes that are designed to ensure:
  - a. All users granted access to Affected Computing Devices shall be explicitly approved by appropriate Accessing Party management; and
  - b. Provisioning and de-provisioning of access to critical Affected Computing Devices is reviewed at regularly scheduled intervals by appropriate Accessing Party management.
3. All Affected Computing Devices shall be configured to require users to periodically change their passwords. Password length, complexity and reuse shall adhere to industry standard practices.

4. Accessing Party shall limit access by means of wireless networking to Disclosing Party Confidential Information to the minimum required situations. Where such wireless access is necessary, such Accessing Party shall require that authentication, encryption, and security for the wireless network meets generally accepted industry standard practices.
5. Accessing Party authentication credentials that are no longer required or that are no longer authorized to obtain access to Disclosing Party Confidential Information from Affected Computing Devices shall be (promptly disabled).
6. In the event that Accessing Party is provided with Disclosing Party administered credentials or devices to permit access to Disclosing Party Confidential Information, Accessing Party shall promptly notify the Disclosing Party, within 24 hours in a manner that is mutually agreed upon by the parties, of a personnel change whereby an individual no longer requires Disclosing Party administered authentication credentials to Disclosing Party Confidential Information.
7. Network protection mechanisms meeting industry standard practices shall be implemented for all Accessing Party company networks accessing Disclosing Party Confidential Information.
8. Accessing Party's personnel shall exercise restraint with their access privileges to Disclosing Party Confidential Information, shall not attempt to circumvent or subvert any security measures and not use their access for anything other than the provision of Services.
9. Access to Disclosing Party Confidential Information over the public Internet shall be restricted.

#### **Logging & Monitoring**

10. All Affected Computing Devices shall be configured to audit relevant security events using industry standard practices.
11. Audit and event logs for Affected Computing Devices shall be adequately protected to prevent contents from being modified or deleted in an unauthorized fashion.
12. System logs are to be analyzed for suspicious activity.

#### **Patching & Configuration Management**

13. Accessing Party shall maintain a security patching/update validation process that is designed to ensure that all Affected Computing Devices are patched in a timely manner consistent with industry standard practices.
14. Accessing Party shall follow industry standard practices to implement secure system configurations.
15. Accessing Party change control management procedures shall be documented and followed.

### **Storage & Media Protection**

16. Servers, enterprise data storage devices, backup tapes and media, and other Affected Computing Devices used to support network communications shall be located in a secure and restricted access location within Accessing Party facilities, or approved Subcontractor facilities,
17. All backup media, including tapes, sent off site that contains Disclosing Party Confidential Information shall be encrypted using industry standard practices.
18. When Disclosing Party Confidential Information is required to be destroyed or disposed per the terms of the Agreement, such Disclosing Party Confidential Information, whether in paper, electronic or other form requires secure disposal or destruction. These measures shall be in line with industry standard practices.

### **Physical & Environmental Protection**

19. Accessing Party Facilities at which Affected Computing Devices are stored or maintained shall have appropriate controls implemented that restrict physical access to only authorized personnel. Visitor access to such facilities shall be based on authentication of visitor identity and visitors shall be escorted.
20. Data centers housing Disclosing Party Confidential Information are required to have controlled access with working security cameras. Data center access control lists shall be kept current.
21. Accessing Party shall provide at least 90 days' advance notification to Disclosing Party prior to relocation or transfer of Accessing Party's datacenter housing Disclosing Party Confidential Information.

### **Vulnerability Assessments**

22. Accessing Party shall maintain a vulnerability management and assessment program based on industry standard practices that frequently assesses Affected Computing Devices and mitigates or eliminates vulnerabilities.
23. Routine network and database scans shall be scheduled. The scan results shall be analyzed and vulnerabilities identified and remediated within a timeframe commensurate with the relative risk.
24. Accessing Party shall engage, at its expense, an unrelated security firm to perform an annual penetration test of Affected Computing devices. Accessing Party shall implement security controls and practices to mitigate risks identified during such an assessment.

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**Encryption**

25. When Disclosing Party Confidential Information is being accessed, or transmitted, over the Internet or via a public switched network, the communications session shall utilize a secure transport mechanism meeting industry standard for encryption. All laptops, hand-held devices and removable storage devices, shall utilize full disk encryption meeting industry standards for encryption.

**Malware Protection**

26. Affected Computing Devices shall be appropriately and reasonably protected against malicious software. All such Affected Computing Devices shall be configured with up-to-date anti-virus.

**Security Awareness & Training**

27. All Accessing Party personnel who have access to Disclosing Party Confidential Information are required to successfully complete initial security awareness training, including affirmative acknowledgement of their security and privacy responsibilities, and annual refresher training thereafter.

**Host-Based Security – End Point Computing**

28. Only devices provided by or under the management of Accessing Party personnel or by Disclosing Party may be used to access Disclosing Party Confidential Information. Public resources such as hotel PC kiosks, or other public-access terminals such as those available in malls and airports, may not be used for this purpose.

**Policies and Procedures**

29. Upon request, but no more frequently than annually, Accessing Party shall permit Disclosing Party to review its information security, physical security, and privacy policy at the Accessing Party's facility.
30. Accessing Party shall develop, implement, and maintain logical network diagrams and security documentation for the Affected Computing Devices to provide an overview of the security requirements and a description of the security controls in place.

**Change Management**

31. Accessing Party shall utilize a change management process based on industry standards that is designed to ensure that Accessing Party information security personnel have insight and approval over changes affecting security devices (*e.g.*, firewalls, VPNs, IPS) and systems handling authentication, authorization, and auditing.

## **Data Loss Prevention**

32. Accessing Party shall maintain an approach to data loss prevention in-line with industry standards to mitigate the risk of unauthorized data disclosure from applications and network infrastructure.

## **Asset Inventory**

33. Accessing Party shall maintain an asset inventory of all critical Affected Computing Devices that access, store, process or transmit Disclosing Party Confidential Information.

## **Remote Access**

34. In the event Accessing Party requires remote access to Disclosing Party's network:
  - a. Accessing Party's use of individually assigned Disclosing Party remote access credentials and authentication devices are for the sole use of that individual and not to be shared with anyone else for any reason.
  - b. Accessing Party remote access to Disclosing Party's network will require a Disclosing Party approved or Disclosing Party-provided multi-factor authentication.

## **Background Investigations**

35. Accessing Party on-boarding process for personnel that will have access to Disclosing Party Confidential Information shall include, at its expense, an industry standard background investigation.
36. Accessing Party shall not assign any individual to Disclosing Party who (1) has been convicted of a felony of any nature or a misdemeanor of violence, theft or fraud or a crime involving dishonesty or breach of trust; (2) has an unverifiable SSN, address, employment, or education; or (3) appears on the OFAC list.
37. Accessing Party shall promptly notify Disclosing Party in the event Accessing Party becomes aware that any individual assigned to Disclosing Party is under investigation or arrested for, or convicted of, a felony of any nature or a misdemeanor of violence, theft or fraud or a crime involving dishonesty or breach of trust.

## **Systems Development and Maintenance**

38. Accessing Party will annually conduct appropriate application security reviews for critical applications and prior to the promotion of production changes to critical application.



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**Segregation of Duties**

39. Accessing Party shall safeguard Disclosing Party Confidential Information by employing commercially reasonable practices, techniques and/or technologies, to implement segregation of duties.

**Cloud Service Delivery<sup>1</sup>**

40. Accessing Party shall document controls used to maintain logical separation of data (prevent inadvertent release of data) in multi-tenant environments.

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<sup>1</sup> Adapted from the Cloud Security Alliance Cloud Controls Matrix Version 1.1 (2010), <http://www.cloudsecurityalliance.org/cm.html>

**Exhibit III**  
**Key Employees**

**A. Navient Key Employees**

1. Pat Lawicki
2. Cheri Dayton
3. Jon Jones
4. Matt Anderson
5. Michael Castagna
6. Jeff Dossman
7. Rich Jackson
8. Brenda Nethery
9. Mark Perrault
10. Carol Swartz

**B. SLM BankCo Key Employees**

1. Dan Kennedy
2. Jerry Archer
3. Mike Brannon
4. Mike Migliore
5. Mike Bandy
6. John Sullivan

**Exhibit IV**  
**Excluded SMI Projects**

1. Regulatory, legislative, and production ticket support
2. FDR (by FDR), CLASS, CLASS ED, Collection systems development
3. Collection Platform Replacement
4. Telephony Replacement Projects, including I3/IVR
5. xPressions Deployment
6. IT Cost Reduction Initiatives
7. IT On-going Upgrades/Deployments/Maintenance
8. Business activities included in the Navient business plan presented to the SLM Board in October 2013.
9. Initiatives to support ED Servicing including default prevention and customer experience initiatives to support ED Scorecard improvement

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**Schedule 1**  
Comprehensive Information Technology Services

[See attached.]

**Schedule 2**

Short-Term Shared Loan Servicing Services

[See attached.]

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**Schedule 3**  
Customer Experience Services

[See attached.]

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**Schedule 4**  
Trust Administration Services

[See attached.]

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**Schedule 5**  
Facilities Services

[See attached.]



**Schedule 6**

Third Party TSA Support Services

[See attached.]

**Schedule 7**

Government Relations Services

[See attached.]

**Schedule 8**

Services Business Development Support and IT Services

[See attached.]

**Schedule 9**

Financial and HR Systems Support Services

[See attached.]

EMPLOYEE MATTERS AGREEMENT

between

NEW BLC CORPORATION

and

NAVIENT CORPORATION

dated as of

April 28, 2014

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EMPLOYEE MATTERS AGREEMENT

THIS EMPLOYEE MATTERS AGREEMENT dated as of April 28, 2014, between New BLC Corporation, a Delaware corporation (“**SLM BankCo**”), and Navient Corporation, a Delaware corporation (“**NewCo**”). SLM BankCo and NewCo are sometimes referred to herein, individually, as a “Party,” and, collectively, as the “Parties.” Capitalized terms used herein and not otherwise defined shall have the respective meanings ascribed to such terms in Article I hereof.

RECITALS

WHEREAS, the Board of Directors of SLM Corporation, a Delaware Corporation (“**Existing SLM**”), has determined that it would be in the best interests of its stockholders that its education loan management business be separated from its consumer banking business (the “**Separation**”);

WHEREAS, the Separation will involve an internal corporate reorganization of Existing SLM and its subsidiaries, pursuant to which all of the assets and liabilities associated with Existing SLM’s loan management, services and asset recovery business will be transferred to NewCo and its subsidiaries, and those assets and liabilities (to the extent not assumed by NewCo) associated with its consumer banking business will remain with or be transferred to SLM BankCo and its subsidiaries;

WHEREAS, as part of the internal corporation reorganization, (x) SLM BankCo, which is a newly formed holding company, will become the publicly traded successor to Existing SLM by means of a holding company merger effected pursuant to Section 251(g) of the Delaware General Corporation Law (the “**DGCL**”), and (y) Existing SLM will become a subsidiary of NewCo and retain directly or indirectly the assets and liabilities associated with Existing SLM’s businesses other than the consumer banking business to be retained by or transferred to SLM BankCo and its subsidiaries;

WHEREAS, immediately following the internal corporate reorganization, SLM BankCo will own all of the issued and outstanding shares of NewCo common stock, which it will distribute to SLM BankCo stockholders, on a *pro rata* basis, as of a record date previously determined by the Existing SLM Board of Directors (the “**Distribution**”), thereby completing the Separation;

WHEREAS, the Parties and Existing SLM are entering into the Separation Agreement, which sets forth the agreement of the Parties and Existing SLM regarding the internal corporate reorganization and other transactions necessary to effect the Separation, including the Distribution;

WHEREAS, the Separation Agreement provides, among other things, subject to the terms and conditions thereof, for the execution and delivery of various agreements, including this Agreement, in order to facilitate and provide for the Separation, provide a framework for the relationship of SLM BankCo and NewCo after the Separation and provide for the allocation between SLM BankCo and NewCo of all of the assets, liabilities, and obligations of Existing SLM and its subsidiaries attributable to periods prior to and after the Separation; and



WHEREAS, this Agreement is being entered into in order to allocate between SLM BankCo and NewCo certain assets, liabilities and obligations, and related responsibilities, with respect to employees, employee compensation, benefit plans and programs, and to set forth the agreement of SLM BankCo and NewCo with respect to the matters set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements herein contained, the Parties, intending to be legally bound, agree as follows:

## ARTICLE I

### DEFINITIONS

Definitions. As used in this Agreement, the following terms shall have the meanings set forth in this Section 1.1:

- (a) “**2014 Pre-Spin Bonus**” has the meaning set forth in Section 3.7.
- (b) “**Adjusted SLM BankCo RSA**” has the meaning set forth in Section 3.2(a).
- (c) “**Adjusted SLM BankCo RSU**” has the meaning set forth in Section 3.3(b).
- (d) “**Adjusted NewCo RSU**” has the meaning set forth in Section 3.3(b).

(e) “**Affiliate**” shall mean, when used with respect to a specified Person, a Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with such specified Person. For the purpose of this definition, “control” (including with correlative meanings, “controlled by” and “under common control with”), when used with respect to any specified Person shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or other interests, by contract, agreement, obligation, indenture, instrument, lease, promise, arrangement, release, warranty, commitment, undertaking or otherwise. It is expressly agreed that, from and after the Effective Time, for purposes of this Agreement and the Ancillary Agreements, (a) no member of the NewCo Group shall be deemed an Affiliate of any member of the SLM BankCo Group and (b) no member of the SLM BankCo Group shall be deemed to be an Affiliate of any member of the NewCo Group; except that the foregoing shall not affect the treatment of SLM BankCo and SMI as “affiliates” for purposes of federal customer data privacy laws, including the Gramm-Leach-Bliley Act during the Preferred Stock Period (as defined in the Separation Agreement).

(f) “**Agreement**” means this Employee Matters Agreement together with all Schedules hereto and all amendments, changes and supplements hereto and thereto entered into in accordance with Section 12.9.

(g) “**Ancillary Agreements**” has the meaning set forth in the Separation Agreement.

(h) “**Benefit Arrangement**” means any contract, agreement, policy, practice, program, plan, trust or arrangement (other than any deferred compensation, profit sharing, bonus, stock-based compensation or other form of incentive compensation) providing for benefits,

perquisites or compensation of any nature to any Employee, or to any family member, dependent or beneficiary of any such Employee, including travel and accident insurance, tuition reimbursement, vacation, sick, personal or bereavement days, and holidays.

(i) “**COBRA**” means the U.S. Consolidated Omnibus Budget Reconciliation Act of 1985, as codified at Part 6 of Subtitle B of Title I of ERISA and at Code Section 4980B.

(j) “**Code**” means the Internal Revenue Code of 1986.

(k) “**Code Sections**” means a section of the Code.

(l) “**Confidential Information**” has the meaning set forth in the Separation Agreement.

(m) “**Deferred Compensation Plan**” has the meaning set forth in Section 6.5.

(n) “**DGCL**” has the meaning set forth in the recitals to this Agreement.

(o) “**Distribution**” has the meaning set forth in the recitals to this Agreement.

(p) “**Distribution Date**” has the meaning set forth in the Separation Agreement.

(q) “**Effective Time**” means 4 p.m., Eastern Standard Time, on the Distribution Date.

(r) “**Employee**” means any SLM BankCo Employee, NewCo Employee or Former NewCo Employee.

(s) “**Employee Records**” has the meaning set forth in Section 2.4(a).

(t) “**ERISA**” means the U.S. Employee Retirement Income Security Act of 1974.

(u) “**ESPP**” means the Amended and Restated Sallie Mae Employee Stock Purchase Plan.

(v) “**Exchange Act**” means the Securities Exchange Act of 1934.

(w) “**Existing SLM**” has the meaning set forth in the preamble to this Agreement.

(x) “**FMLA**” means the U.S. Family and Medical Leave Act.

(y) “**Former NewCo Employee**” has the meaning set forth in Section 2.2(a).

(z) “**Group**” means collectively the Sallie Mae Group, NewCo Group and the SLM BankCo Group.

(aa) “**Initial Employment Date**” means, for any person, the first date such person was employed by any member of the Sallie Mae Group.

(bb) “**IRS**” means the U.S. Internal Revenue Service.

- (cc) “**Legacy Pension Liabilities**” has the meaning set forth in Section 11.1.
- (dd) “**Legacy Performance Stock Units**” has the meaning set forth in Section 3.5(a).
- (ee) “**Legacy Sallie Mae Employee**” has the meaning set forth in Section 2.2(a).
- (ff) “**Legacy SLM BankCo Option**” has the meaning set forth in Section 3.4(a).
- (gg) “**Measurement Date**” has the meaning set forth in Section 3.5(a).
- (hh) “**Merger**” has the meaning set forth in the Separation Agreement.
- (ii) “**Merger Date**” means the date on which the Merger becomes effective in accordance with Section 251 and Section 103 under the DGCL.
- (jj) “**NASDAQ**” means the NASDAQ Global Select Market.
- (kk) “**NewCo**” has the meaning set forth in the preamble to this Agreement.
- (ll) “**NewCo Benefit Arrangement**” means any Benefit Arrangement sponsored by a member of the NewCo Group.
- (mm) “**NewCo Common Stock**” means the common stock of NewCo, par value \$0.01 per share.
- (nn) “**NewCo Director**” means an individual who is a non-employee director of NewCo following the Distribution.
- (oo) “**NewCo Employee**” means any individual who is employed by a member of the NewCo Group on the Distribution Date.
- (pp) “**NewCo Entity**” means any (x) member of the NewCo Group (together with each current and former, direct or indirect, Subsidiary of any such member (and of any such former Subsidiary)) and (y) any former Subsidiary of Existing SLM, or line of business of a Subsidiary of Existing SLM, that was sold or otherwise disposed of prior to the Distribution Date. For purposes of this definition, all lines of business that are treated as “discontinued operations” in the consolidated financial statements of NewCo shall be deemed to have been part of a NewCo Entity. For purposes of this definition, no SLM BankCo Entity shall be considered a NewCo Entity. The Parties acknowledge that this term is defined differently in the Separation Agreement.
- (qq) “**NewCo Equity Awards**” means NewCo RSAs, NewCo RSUs or Post-Distribution NewCo Options.
- (rr) “**NewCo ESPP**” means an employee stock purchase plan sponsored by NewCo with terms substantially similar to those of the ESPP as of the Distribution Date.
- (ss) “**NewCo Group**” means, collectively, NewCo and each NewCo Subsidiary.

- (tt) “**NewCo New Equity Plan**” means the Navient Corporation 2014 Omnibus Incentive Plan, under which the NewCo equity-based awards described in Article III shall be issued.
- (uu) “**NewCo Reimbursement Account**” has the meaning set forth in Section 7.3(b).
- (vv) “**NewCo RSU**” has the meaning set forth in Section 3.3(a).
- (ww) “**NewCo Subsidiary**” means any direct or indirect Subsidiary of NewCo, as of the Distribution Date.
- (xx) “**NewCo Supplemental 401(k) Plan**” has the meaning set forth in Section 6.4.
- (yy) “**NewCo Thrift Plan**” has the meaning set forth in Section 6.1.
- (zz) “**NewCo Thrift Plan Beneficiaries**” has the meaning set forth in Section 6.1.
- (aaa) “**NewCo Welfare Plan**” means any Welfare Plan sponsored or maintained by any one or more members of the NewCo Group on the Distribution Date.
- (bbb) “**NewCo Welfare Plan Participants**” has the meaning set forth in Section 7.1.
- (ccc) “**Participating NewCo Employers**” has the meaning set forth in Section 7.1.
- (ddd) “**Participation Period**” has the meaning set forth in Section 7.3(b).
- (eee) “**Party**” or “**Parties**” has the meaning set forth in the preamble to this Agreement.
- (fff) “**Person**” means an individual, a partnership, a corporation, a limited liability company, an association, a joint stock company, a trust, a joint venture, a union, an unincorporated organization or a governmental entity or any department, agency or political subdivision thereof.
- (ggg) “**Post-Distribution NewCo Share Price**” means the volume-weighted average of the “when issued” trading price on NASDAQ of a share of NewCo Common Stock on the five trading days ending on the Distribution Date.
- (hhh) “**Post-Distribution NewCo Option**” has the meaning set forth in Section 3.4(a).
- (iii) “**Post-Distribution SLM BankCo Option**” has the meaning set forth in Section 3.4(a).
- (jjj) “**Post-Distribution SLM BankCo Option Price Target**” means, as to a particular Post-Distribution SLM BankCo Option that is to include a Price Target, the number determined by multiplying the Price Target of the Legacy SLM BankCo Option in respect of which such Post-Distribution SLM BankCo Option is to be granted by a fraction, the numerator of which is the Post-Distribution SLM BankCo Share Price and the denominator of which is the Pre-Distribution SLM BankCo Share Price.

(kkk) "**Post-Distribution SLM BankCo Share Price**" means the volume-weighted average of the "ex-dividend" trading price of a share of SLM BankCo Common Stock on the five trading days ending on the Distribution Date.

(lll) "**Pre-Distribution SLM BankCo Share Price**" means the sum of the Post-Distribution SLM BankCo Share Price and the Post-Distribution NewCo Share Price.

(mmm) "**Price Target**" means any SLM BankCo Stock Price (or Prices) that is (or are) specified as an exercisability trigger in a SLM BankCo Option.

(nnn) "**Privacy Contract**" means any contract entered into in connection with applicable privacy protection laws or regulations.

(ooo) "**Registration Statement Effectiveness Date**" means the first date on which the applicable registration statement on Form S-8 (or other appropriate form) contemplated by Section 3.9 shall be effective under the Securities Act.

(ppp) "**Post-Distribution NewCo Option**" has the meaning set forth in Section 3.4(a).

(qqq) "**Post-Distribution NewCo Option Price Target**" means, as to a particular Post-Distribution NewCo Option that is to include a Price Target, the number determined by multiplying the Price Target of the Legacy SLM BankCo Option in respect of which such Post-Distribution NewCo Option is to be granted multiplied by (ii) a fraction, the numerator of which is the Post-Distribution NewCo Share Price and the denominator of which is the Pre-Distribution SLM BankCo Share Price.

(rrr) "**Post-Distribution SLM BankCo Option**" has the meaning set forth in Section 3.4(a).

(sss) "**Sallie Mae Group**" means Existing SLM and its predecessors and every Subsidiary of Existing SLM and such predecessors in existence at any time prior to the Merger Date.

(ttt) "**SEC**" means the Securities and Exchange Commission.

(uuu) "**Securities Act**" means the Securities Act of 1933.

(vvv) "**Separation**" has the meaning set forth in the recitals to this Agreement.

(www) "**Separation Agreement**" means the Separation and Distribution Agreement, dated as of April 28, 2014, among the Parties and Existing SLM, together with all Schedules and all amendments and supplements thereto.

(xxx) "**SLM BankCo**" has the meaning set forth in the preamble to this Agreement.

(yyy) "**SLM BankCo Benefit Arrangement**" means any Benefit Arrangement sponsored or maintained by a member of the SLM BankCo Group on the Distribution Date. For purposes of this definition, a Benefit Arrangement sponsored or maintained by any one or more members of the SLM BankCo Group includes any former Benefit Arrangement of Existing SLM

that has been assumed by one or more members of the SLM BankCo Group (expressly or by the terms of the applicable Benefit Arrangement). Effective on the Merger Date, SLM BankCo shall assume each Benefit Arrangement then sponsored or maintained by Existing SLM, unless otherwise provided in the Agreement.

(zzz) “**SLM BankCo Common Stock**” means (i) for any period prior to the Merger Date, the common stock of Existing SLM, par value \$0.20 per share, and (ii) for any period from and following the Merger Date, the common stock of SLM BankCo, par value \$0.20 per share.

(aaaa) “**SLM BankCo Deferred Compensation Plan**” has the meaning set forth in Section 6.5.

(bbbb) “**SLM BankCo Director**” means an individual who is a non-employee director of SLM BankCo following the Distribution Date.

(cccc) “**SLM BankCo Employee**” means any individual who is employed by a member of the SLM BankCo Group on the Distribution Date.

(dddd) “**SLM BankCo Entity**” means any member of the SLM BankCo Group. For purposes of this definition, no NewCo Entity shall be considered a SLM BankCo Entity. The Parties acknowledge that this term is defined differently in the Separation Agreement.

(eeee) “**SLM BankCo Equity Awards**” means Legacy SLM BankCo Options, SLM BankCo Options, SLM BankCo RSAs, SLM BankCo RSUs or Post-Distribution SLM BankCo Options.

(ffff) “**SLM BankCo Group**” means, collectively, SLM BankCo and each SLM BankCo Subsidiary. For purposes of this definition, no member of the NewCo Group shall be deemed a member of the SLM BankCo Group.

(gggg) “**SLM BankCo Legacy Equity Plan**” means any equity plan sponsored or maintained by the SLM BankCo Group immediately prior to the Distribution Date. For purposes of this definition, an equity plan sponsored or maintained by SLM BankCo includes a former equity plan of Existing SLM that has been assumed by SLM BankCo (expressly or by the terms of the applicable equity plan). Effective on the Merger Date, SLM BankCo shall assume each equity plan then sponsored or maintained by Existing SLM, unless otherwise provided in the Agreement.

(hhhh) “**SLM BankCo Options**” means options to purchase shares of SLM BankCo Common Stock granted pursuant to any of the SLM BankCo Legacy Equity Plans, including options granted prior to the Merger Date by Existing SLM and assumed by SLM BankCo.

(iiii) “**SLM BankCo Rabbi Trust**” has the meaning set forth in Section 5.1.

(jjjj) “**SLM BankCo RSAs**” means unvested restricted stock awards issued under any of the SLM BankCo Legacy Equity Plans, including awards issued by Existing SLM prior to the Merger Date and assumed by SLM BankCo.

(kkkk) “**SLM BankCo RSUs**” means restricted stock units or deferred stock units issued under any of the SLM BankCo Legacy Equity Plans that are not subject to performance conditions, including units issued by Existing SLM prior to the Merger Date and assumed by SLM BankCo.

(llll) “**SLM BankCo Subsidiary**” means any Subsidiary of SLM BankCo as of the Distribution Date. For purposes of this definition, no NewCo Subsidiary shall be considered a SLM BankCo Subsidiary.

(mmmm) “**SLM BankCo Thrift Plan**” means the Sallie Mae 401(k) Savings Plan.

(nnnn) “**SLM BankCo Thrift Plan Beneficiaries**” has the meaning set forth in Section 6.1.

(oooo) “**SLM BankCo Welfare Plan**” means any Welfare Plan sponsored or maintained by any one or more members of the SLM BankCo Group on the Distribution Date. For purposes of this definition, a Welfare Plan sponsored or maintained by any one or more members of the SLM BankCo Group includes former Welfare Plans of Existing SLM that have been assumed by a member of the SLM BankCo Group (expressly or by the terms of the applicable Welfare Plan). Effective on the Merger Date, SLM BankCo shall assume each Welfare Plan then sponsored or maintained by Existing SLM, unless otherwise provided in the Agreement.

(pppp) “**Subsidiary**” means, with respect to any specified Person, any corporation, partnership, limited liability company, joint venture or other organization, whether incorporated or unincorporated, of which at least a majority of the securities or interests having by the terms thereof ordinary voting power to elect at least a majority of the board of directors or others performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such specified Person or by any one or more of its Subsidiaries, or by such specified Person and one or more of its Subsidiaries.

(qqqq) “**Supplemental 401(k) Plan**” has the meaning set forth in Section 6.4.

(rrrr) “**U.S.**” means the United States of America.

(ssss) “**WARN**” means the U.S. Worker Adjustment and Retraining Notification Act, and any applicable state or local law equivalent.

(tttt) “**Welfare Plan**” means a “welfare plan” as defined in ERISA Section 3(1) and also means a cafeteria plan under Code Section 125 and any benefits offered thereunder, including pre-tax premium conversion benefits, a dependent care assistance program, contribution funding toward a health savings account and flex or cashable credits.

Interpretation. In this Agreement, unless the context clearly indicates otherwise:

(uuuu) words used in the singular include the plural and words used in the plural include the singular;

(vvvv) if a word or phrase is defined in this Agreement, its other grammatical forms, as used in this Agreement, shall have a corresponding meaning;

(www) reference to any gender includes the other gender and the neuter;

(xxxx) the words “include,” “includes” and “including” shall be deemed to be followed by the words “without limitation”;

(yyyy) the words “shall” and “will” are used interchangeably and have the same meaning;

(zzzz) the word “or” shall have the inclusive meaning represented by the phrase “and/or”;

(aaaa) relative to the determination of any period of time, “from” means “from and including,” “to” means “to but excluding” and “through” means “through and including”;

(bbbb) all references to a specific time of day in this Agreement shall be based upon Eastern Standard Time or Eastern Daylight Savings Time, as applicable, on the date in question;

(cccc) whenever this Agreement refers to a number of days, such number shall refer to calendar days unless business days are specified;

(dddd) accounting terms used herein shall have the meanings historically ascribed to them by Existing SLM and its Subsidiaries for periods prior to the Merger Date, including NewCo for this purpose, in its and their internal accounting and financial policies and procedures in effect immediately prior to the date of this Agreement;

(eeee) reference to any Article, Section or Schedule means such Article or Section of, or such Schedule to, this Agreement, as the case may be, and references in any Section or definition to any clause means such clause of such Section or definition;

(ffff) the words “this Agreement,” “herein,” “hereunder,” “hereof,” “hereto” and words of similar import shall be deemed references to this Agreement as a whole and not to any particular Section or other provision of this Agreement;

(gggg) reference to any agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and not prohibited by this Agreement;

(hhhh) reference to any Law (including statutes and ordinances) means such Law (including any and all rules and regulations promulgated thereunder) as amended, modified, codified or reenacted, in whole or in part, and in effect at the time of determining compliance or applicability;

(iiii) references to any Person include such Person’s successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement; and any reference to a third party shall be deemed to mean a Person who is not a Party or an Affiliate of a Party;



(jjjj) if there is any conflict between the provisions of the main body of this Agreement and the Schedules hereto, the provisions of the main body of this Agreement shall control unless explicitly stated otherwise in such Schedule;

(kkkkk) unless otherwise specified in this Agreement, all references to dollar amounts herein shall be in respect of lawful currency of the U.S.;

(lllll) the titles to Articles and headings of Sections contained in this Agreement, in any Schedule and in the table of contents to this Agreement have been inserted for convenience of reference only and shall not be deemed to be a part of or to affect the meaning or interpretation of this Agreement; and

(mmmmm) any portion of this Agreement obligating a Party to take any action or refrain from taking any action, as the case may be, shall mean that such Party shall also be obligated to cause its relevant Subsidiaries to take such action or refrain from taking such action, as the case may be.

## ARTICLE II

### ASSIGNMENT OF EMPLOYEES

#### Active Employees.

(a) NewCo Employees. Except as otherwise set forth in this Agreement, effective as of the Distribution Date, the employment of the NewCo Employees will be continued by a member of the NewCo Group. Prior to such date, NewCo Employees will be transferred and assigned to the applicable member of the NewCo Group. Each of the Parties agrees to execute, and to seek to have the applicable employees execute, such documentation as may be necessary to reflect such assignments and transfers.

(b) SLM BankCo Employees. Except as otherwise set forth in this Agreement, effective as of the Distribution Date, the employment of the SLM BankCo Employees will be continued by a member of the SLM BankCo Group. Prior to such date, SLM BankCo Employees will be transferred and assigned to the applicable member of the SLM BankCo Group. Each of the Parties agrees to execute, and to seek to have the applicable employees execute, such documentation as may be necessary to reflect such assignments and transfers.

(c) At-Will Status. Notwithstanding the above or any other provision of this Agreement, nothing in this Agreement shall create any obligation on the part of any member of the SLM BankCo Group or any member of the NewCo Group to continue the employment of any employee for any period following the date of this Agreement or the Distribution or to change the employment status of any employee from "at will," to the extent such employee is an "at will" employee under applicable law.

(d) Severance. The Distribution and the assignment, transfer or continuation of the employment of employees as contemplated by this Section 2.1 shall not be deemed a severance of employment of any employee for purposes of this Agreement or any plan, policy, practice or arrangement of any member of the Group.

(e) Change of Control/Change in Control. Neither the completion of the Distribution nor any transaction in connection with the Distribution (including the Merger) shall be deemed a “change of control” or “change in control” for purposes of any plan, policy, practice or arrangement relating to directors, former directors, employees, former employees or consultants of any member of the Group.

#### Former Employees.

(f) Any individual who has previously worked as an employee for a member (or former member) of the Sallie Mae Group but who is not employed by the Sallie Mae Group as of the time immediately prior to the Distribution Date shall be referred to as a “**Legacy Sallie Mae Employee**”. For purposes of this Agreement, any Legacy Sallie Mae Employee shall be deemed to be a “**Former NewCo Employee**.”

#### Employment Law Obligations.

(g) WARN Act. After the Distribution Date, (i) SLM BankCo shall be responsible for providing any necessary WARN notice (and meeting any similar state law notice requirements) with respect to any termination of any SLM BankCo Employee and (ii) NewCo shall be responsible for providing any necessary WARN notice (and meeting any similar state law notice requirements) with respect to any termination of any NewCo Employee.

(h) Compliance With Employment Laws. On and after the Distribution Date, (i) each member of the SLM BankCo Group shall be responsible for adopting and maintaining any policies or practices, and for all other actions and inactions, necessary to comply with employment-related laws and requirements relating to the employment of SLM BankCo Employees, and (ii) each member of the NewCo Group shall be responsible for adopting and maintaining any policies or practices, and for all other actions and inactions, necessary to comply with employment-related laws and requirements relating to the employment of NewCo Employees and the treatment of any applicable Former NewCo Employees in respect of their former employment. Any liabilities with respect to Legacy Sallie Mae Employees that are not specifically allocated within this Agreement shall be assumed and satisfied by NewCo.

#### Employee Records.

(i) Records Relating to SLM BankCo Employees. All records, data and other employee-related information in any form (collectively, “**Employee Records**”) relating to SLM BankCo Employees shall be the property of the SLM BankCo Group, except that Employee Records pertaining to such an employee and relating to any period that such employee was (i) employed by NewCo or (ii) covered under any employee benefit plan sponsored by any member of the NewCo Group (to the extent that such records or data relate to such coverage) prior to the Distribution Date shall be jointly owned by those members of the NewCo Group and the SLM BankCo Group.

(j) Records Relating to NewCo Employees and Former NewCo Employees. All Employee Records relating to NewCo Employees or Former NewCo Employees shall be the property of the NewCo Group, except that Employee Records pertaining to such an employee and relating to any period that such employee was (i) employed by any member of the SLM BankCo Group or (ii) covered under any employee benefit plan sponsored by any member of the SLM BankCo Group (to the extent that such records or data relate to such coverage) prior to the Distribution Date shall be jointly owned by those members of the SLM BankCo Group and the NewCo Group.

(k) Sharing of Records. Notwithstanding Sections 2.4(a) and (b), each of NewCo and SLM BankCo shall allow the other to retain a copy of the Employee Records owned by each of them, and use their respective commercially reasonable efforts to provide the other such Employee Records as may be necessary or appropriate to carry out their respective obligations under applicable law (subject to any relevant privacy protection laws or regulations in any applicable jurisdictions or Privacy Contract), this Agreement, any other Ancillary Agreement or the Separation Agreement, and for the purposes of administering their respective employee benefit plans and policies. All information and records regarding employment, personnel and employee benefit matters, including Employee Records, of SLM BankCo Employees shall be accessed, retained, held, used, copied and transmitted after the Distribution Date by members of the SLM BankCo Group in accordance with all applicable laws, policies and Privacy Contracts relating to the collection, storage, retention, use, transmittal, disclosure and destruction of such records. All information and records regarding employment, personnel and employee benefit matters, including Employee Records, of NewCo Employees and Former NewCo Employees shall be accessed, retained, held, used, copied and transmitted after the Distribution Date by members of the NewCo Group in accordance with all applicable laws, policies and Privacy Contracts relating to the collection, storage, retention, use, transmittal, disclosure and destruction of such records.

(l) Access to Records. To the extent not inconsistent with this Agreement and any applicable privacy protection laws or regulations or Privacy Contracts, access to all employment, personnel and employee benefit matters, including Employee Records, after the Distribution Date will be provided to members of the SLM BankCo Group and members of the NewCo Group in accordance with the Separation Agreement. In addition, notwithstanding anything to the contrary, SLM BankCo shall be provided reasonable access to those records that are the property of the NewCo Group necessary for the administration of any plans or programs on behalf of SLM BankCo Employees after the Distribution Date to the extent permissible under applicable privacy protection laws or regulations or Privacy Contracts. SLM BankCo shall also be permitted to retain copies of all restrictive covenant agreements with any NewCo Employee or Former NewCo Employee in which any member of the SLM BankCo Group has a valid business interest. In addition, notwithstanding anything to the contrary, NewCo shall be provided reasonable access to those records that are the property of the SLM BankCo Group necessary for the administration of any plans or programs on behalf of NewCo Employees and Former NewCo Employees after the Distribution Date to the extent permissible under applicable privacy protection laws or regulations or Privacy Contracts. NewCo shall also be permitted to retain copies of all restrictive covenant agreements with any SLM BankCo Employee in which any member of the NewCo Group has a valid business interest.

(m) Maintenance of Records. With respect to retaining, destroying, transferring, sharing, copying and permitting access to information and records regarding employment, personnel and employee benefit matters, including Employee Records, SLM BankCo and NewCo shall (and shall cause their respective Subsidiaries to) comply with all applicable laws,

regulations, Privacy Contracts and internal policies, and shall indemnify and hold harmless each other from and against any and all liability, claims, actions, and damages that arise from a failure (by the indemnifying party or its affiliates or their respective agents) to so comply with all applicable laws, regulations, Privacy Contracts and internal policies applicable to such information and records.

(n) No Access to Computer Systems or Files. No provision of this Agreement shall give (i) any member of the SLM BankCo Group direct access to the computer systems or other files, records or databases of any member of the NewCo Group to access Employee Records or (ii) any member of the NewCo Group direct access to the computer systems or other files, records or databases of any member of the SLM BankCo Group to access Employee Records, unless expressly and specifically permitted by the owner of such systems, files, records or databases.

(o) Relation to Separation Agreement. The provisions of this Section 2.4 shall be in addition to, and not in derogation of, the provisions of the Separation Agreement governing Confidential Information, including Section 6.9 of the Separation Agreement. To the extent of any inconsistency between the provisions of this Section 2.4 of this Agreement and Section 6.9 of the Separation Agreement, the provisions of this Section 2.4 shall control.

(p) Confidentiality. Except to the extent otherwise set forth in this Agreement, all Employee Records shall, in each case, be subject to the confidentiality provisions of the Separation Agreement and any Privacy Contract or other applicable agreement and applicable law.

(q) Cooperation. Each Party shall use commercially reasonable efforts to cooperate to share, retain and maintain data and records that are necessary or appropriate to further the purposes of this Section 2.4 and for each Party to administer its respective benefit plans to the extent consistent with this Agreement and applicable law, and each Party agrees to cooperate as long as is reasonably necessary to further the purposes of this Section 2.4. Except as provided under any Ancillary Agreement, no Party shall charge another Party a fee for such cooperation.

(r) HIPAA Business Associate Agreement. NewCo and SLM BankCo shall enter into a Business Associate agreement under the Health Insurance Portability and Accountability Act of 1996, as amended, with respect to the group health plan of the other Party, in such form as NewCo and SLM BankCo shall mutually agree.

### ARTICLE III

#### EQUITY AND INCENTIVE COMPENSATION PLANS

##### General Principles.

(a) For the avoidance of doubt, the provisions of this Article III shall not apply unless the Distribution takes place. The adjustments and replacements of awards contemplated by this Article III may be made in advance of the Distribution, but no adjusted or replacement award may be settled or exercised prior to the Distribution, and if the Distribution does not occur by December 31, 2014, such adjustments and/or replacements shall be null and void. Each of SLM BankCo and NewCo shall take any and all reasonable action as shall be necessary and appropriate to further the provisions of this Article III.

(b) Where an award granted under one of the SLM BankCo Legacy Equity Plans is adjusted or replaced in whole or in part by an award under either a SLM BankCo Legacy Equity Plan or the NewCo New Equity Plan in accordance with the provisions of this Article III, such award generally shall be on terms which are in all material respects identical to the terms of the award which it replaces (including any requirements of continued employment) but subject to any necessary changes to take into account that (i) an award may relate to NewCo Common Stock, (ii) the NewCo New Equity Plan is administered by NewCo and the compensation committee of its board of directors, (iii) if applicable, the grantee under the award is employed or affiliated with a new employer or plan sponsor, and (iv) except for Price Targets under a Post-Distribution NewCo Option or a Post-Distribution SLM BankCo Option, the award is not subject to any performance conditions. Where an award granted under one of the SLM BankCo Legacy Equity Plans is adjusted in accordance with the provisions of this Article III, such award shall otherwise continue to retain the same terms and conditions of the original award, subject to any necessary changes to take into account the adjustments required by this Article III.

(c) Following the Distribution Date, a grantee who has outstanding awards under one or more of the SLM BankCo Legacy Equity Plans and/or replacement awards under the NewCo New Equity Plan shall be considered to have been employed continuously by the applicable plan sponsor before the Distribution for purposes of (1) vesting and (2) determining the date of termination of employment as it applies to any such award. SLM BankCo will take such action as is necessary such that NewCo Employees that hold SLM BankCo Equity Awards as of or following the Distribution Date will not incur a termination of employment as a result of the Distribution for purposes of such awards. NewCo will take such action as is necessary such that SLM BankCo Employees that hold NewCo Equity Awards as of or following the Distribution Date will not incur a termination of employment as a result of the Distribution for purposes of such awards. Following the Distribution Date, a grantee who has outstanding awards under one or more of the SLM BankCo Legacy Equity Plans and/or replacement awards under the NewCo New Equity Plan shall be considered to be employed by the applicable plan sponsor only for service with the applicable of SLM BankCo or NewCo whichever is the employer of the individual as of a time immediately after the Distribution Date. For the avoidance of doubt, (1) a NewCo Employee or NewCo Director who has a SLM BankCo Equity Award will continue to vest in such award by reason of service with NewCo but upon termination of service with NewCo will be treated for purposes of the SLM BankCo Equity Award as having then terminated service, and (2) a SLM BankCo Employee or SLM BankCo Director who has a NewCo Equity Award will continue to vest in such award by reason of service with SLM BankCo but upon termination of service with SLM BankCo will be treated for purposes of the NewCo Equity Award as having then terminated service.

(d) No award described in this Article III, whether outstanding or to be issued, adjusted, substituted or cancelled by reason of or in connection with the Distribution, shall be adjusted, settled or cancelled or become exercisable if in the judgment of the administrator of the applicable plan or program such action would be inconsistent with applicable law, including federal securities laws. Any period of exercisability will not be extended on account of a period during which such an award is not exercisable in accordance with the preceding sentence.

## Restricted Stock.

(e) Each grantee under the SLM BankCo Legacy Equity Plans who holds one or more SLM BankCo RSAs shall receive in lieu of such award an adjusted award of SLM BankCo Restricted Stock (an “**Adjusted SLM BankCo RSA**”) with respect to a number of shares of SLM BankCo Common Stock equal to a fraction, the numerator of which is the product of the Pre-Distribution SLM BankCo Share Price and the number of shares subject to the SLM BankCo RSA and the denominator of which is the Post-Distribution SLM BankCo Share Price, rounded up to the nearest whole share. SLM BankCo (or one or more of the SLM BankCo Subsidiaries, as designated by SLM BankCo) shall be responsible for (i) the satisfaction of all tax reporting and withholding requirements in respect of the Adjusted SLM BankCo RSAs and (ii) remitting the appropriate tax or withholding amounts to the appropriate taxing authorities. Except as provided in the foregoing provisions of this Section 3.2(a), the Adjusted SLM BankCo RSAs shall be granted on terms which are in all material respects identical (including with respect to vesting) to the terms of the SLM BankCo RSAs with respect to which they are granted.

## Restricted Stock Units.

(f) Each grantee under the SLM BankCo Legacy Equity Plans who holds one or more SLM BankCo RSUs granted prior to February 4, 2014, or granted in connection with awards under the 2013 Management Incentive Plan, except each grantee of awards set forth on Schedule 3.3(b), shall retain each such SLM BankCo RSU and shall receive a number of additional restricted stock units with respect to NewCo Common Stock (the “**NewCo RSUs**”) equal to the number of shares received by a stockholder of SLM BankCo Common Stock in connection with the Distribution with respect to the number of shares of SLM BankCo Common Stock subject to such grantee’s SLM BankCo RSUs. Except as provided in this Agreement, NewCo RSUs shall be granted on terms which are in all material respects identical (including with respect to vesting) to the terms of the SLM BankCo RSUs with respect to which they are granted.

(g) Each grantee under the SLM BankCo Legacy Equity Plans who holds one or more SLM BankCo RSUs granted on or after February 4, 2014, (other than SLM BankCo RSUs granted in connection with awards under the 2013 Management Incentive Plan) and who will be an SLM BankCo Employee, as well as each grantee of awards set forth on Schedule 3.3(b), shall receive in substitution for such SLM BankCo RSU (which shall be cancelled) an adjusted award of restricted stock units with respect to solely SLM BankCo Common Stock (an “**Adjusted SLM BankCo RSU**”), with the number of shares of SLM BankCo Common Stock subject to such Adjusted SLM BankCo RSU equal to a fraction, the numerator of which is the product of the Pre-Distribution SLM BankCo Share Price and the number of shares subject to the SLM BankCo RSU and the denominator of which is the Post-Distribution SLM BankCo Share Price, rounded up to the nearest whole share. Each grantee under the SLM BankCo Legacy Equity Plans who holds one or more SLM BankCo RSUs granted on or after February 4, 2014, (other than SLM BankCo RSUs granted in connection with awards under the 2013 Management Incentive Plan) and who will not be an SLM BankCo Employee shall receive in substitution for each such SLM BankCo RSU (which shall be cancelled) an adjusted award of restricted stock units with respect to solely NewCo Common Stock (an “**Adjusted NewCo RSU**”), with the number of shares of NewCo Common Stock subject to such Adjusted NewCo RSU equal to a fraction, the numerator of which is the product of the Pre-Distribution SLM BankCo Share Price and the number of shares subject to the SLM BankCo RSU and the denominator of which is the Post-Distribution NewCo Share Price, rounded up to the nearest whole share.

(h) SLM BankCo (or one or more of the SLM BankCo Subsidiaries, as designated by SLM BankCo) shall be responsible for (i) the satisfaction of all tax reporting and withholding requirements in respect of the SLM BankCo RSUs and NewCo RSUs issued to SLM BankCo Employees and (ii) remitting the appropriate tax or withholding amounts to the appropriate taxing authorities in the case of SLM BankCo Employees or ensuring the remittance of the appropriate tax or withholding amounts to NewCo in the case of NewCo Employees and Former NewCo Employees that hold SLM BankCo RSUs. NewCo shall be responsible for (i) the satisfaction of all tax reporting and withholding requirements in respect of the NewCo RSUs and SLM BankCo RSUs issued to NewCo Employees and Former NewCo Employees and (ii) remitting the appropriate tax or withholding amounts to the appropriate taxing authorities in the case of NewCo Employees and Former NewCo Employees or ensuring the remittance of the appropriate tax or withholding amounts to SLM BankCo in the case of SLM BankCo Employees who hold NewCo RSUs.

#### Stock Options.

(i) Each grantee under any of the SLM BankCo Legacy Equity Plans who, as of the Distribution Date, holds one or more SLM BankCo Options (each, a “**Legacy SLM BankCo Option**”), shall receive, in substitution for each such Legacy SLM BankCo Option (which shall be cancelled), both a NewCo Option (a “**Post-Distribution NewCo Option**”) with respect to shares of NewCo Common Stock and a SLM BankCo Option (a “**Post-Distribution SLM BankCo Option**”) with respect to shares of SLM BankCo Common Stock. The shares of NewCo Common Stock and SLM BankCo Common Stock subject to the Post-Distribution NewCo Option and Post-Distribution SLM BankCo Option, respectively, shall be equal to the number of shares of SLM BankCo Common Stock subject to the Legacy SLM BankCo Option. The exercise price of each Post-Distribution SLM BankCo Option and Post-Distribution NewCo Option shall bear the same ratio to the Post-Distribution SLM BankCo Share Price and the Post-Distribution NewCo Share Price, respectively, as the exercise price of the Legacy SLM BankCo Option being replaced bears to the Pre-Distribution SLM BankCo Share Price. In the case of a Legacy SLM BankCo Option that includes a Price Target, the Price Targets for the Post-Distribution SLM BankCo Option and Post-Distribution NewCo Option that are substituted therefor shall be, respectively, the applicable Post-Distribution SLM BankCo Option Price Target and Post-Distribution NewCo Option Price Target, with appropriate provisions to account for periods that overlap the Distribution Date.

(j) SLM BankCo (or one or more of the SLM BankCo Subsidiaries, as designated by SLM BankCo) shall be responsible for (i) the satisfaction of all tax reporting and withholding requirements in respect of the exercise of Post-Distribution SLM BankCo Options and Post-Distribution NewCo Options held by SLM BankCo Employees and (ii) remitting the appropriate tax or withholding amounts to the appropriate taxing authorities in the case of SLM BankCo Employees or ensuring the remittance of the appropriate tax or withholding amounts to NewCo in the case of NewCo Employees and Former NewCo Employees that receive Post-Distribution SLM BankCo Options. NewCo shall be responsible for (i) the satisfaction of all tax reporting and withholding requirements in respect of the exercise of Post-Distribution NewCo Options and Post-Distribution BankCo Options held by NewCo Employees and Former NewCo Employees

and (ii) remitting the appropriate tax or withholding amounts to the appropriate taxing authorities in the case of NewCo Employees and Former NewCo Employees or ensuring the remittance of the appropriate tax or withholding amounts to SLM BankCo in the case of SLM BankCo Employees who receive Post-Distribution NewCo Options.

(k) Post-Distribution NewCo Options and Post-Distribution SLM BankCo Options shall not be exercisable until the applicable Registration Statement Effectiveness Date and may be further restricted as described in Section 3.9. Except as provided in this Section 3.4, Post-Distribution NewCo Options and Post-Distribution SLM BankCo Options shall be granted on terms which are in all material respects identical (including with respect to vesting) to the terms of the Legacy SLM BankCo Options which they replace.

Performance Stock Units.

(l) Each grantee under any of the SLM BankCo Legacy Equity Plans who, but for this Section 3.5, would hold, as of the Distribution Date, one or more performance stock unit awards (each, a “**Legacy Performance Stock Unit**”) shall receive on a date prior to the Distribution Date (but subject to the occurrence of the Distribution Date) and as a replacement award in substitution for each Legacy Performance Stock Unit (which shall be cancelled, subject to the occurrence of the Distribution Date), a number of SLM BankCo RSUs equal to the number of shares of SLM BankCo Common Stock that would vest under the legacy performance-based award based on the actual performance to the last day of the most recent calendar quarter ending prior to or coincident with the Distribution Date (the “**Measurement Date**”) and the lesser of (i) the target performance specified for such Legacy Performance Stock Unit, prorated for that portion of the performance period which will occur after the Measurement Date and (ii) projected performance for that portion of the performance period which will occur after the Measurement Date (as determined by the compensation committee of the Board of Directors of SLM BankCo). SLM BankCo RSUs issued in substitution for Legacy Performance Stock Unit pursuant to this Section 3.5 shall then be adjusted pursuant to Section 3.3(a). In the event the Distribution Date does not occur, the transactions contemplated by this Section 3.5 shall be null and void and of no effect, and the Legacy Performance Stock Units shall remain outstanding in accordance with their terms.

Section 16(b) of the Exchange Act; Code Sections 162(m) and 409A.

(m) By approving the adoption of this Agreement and in accordance with the provisions of Rule 16b-3 under the Exchange Act, the board of directors of SLM BankCo intends to exempt from the short-swing profit recovery provisions of Section 16(b) of the Exchange Act all acquisitions from and dispositions to SLM BankCo of SLM BankCo Equity Awards by directors and executive officers of SLM BankCo contemplated by this Article III. The board of directors of SLM BankCo also intends to expressly approve, in respect of all SLM BankCo Equity Awards granted or issued to directors and executive officers of SLM BankCo in accordance with this Article III, the use of any method for the payment of an exercise price and the satisfaction of any applicable tax withholding (specifically including the actual or constructive tendering of shares of SLM BankCo Common Stock in payment of an exercise price and the withholding of such shares from delivery under options in satisfaction of applicable tax withholding requirements) to the extent such method is permitted under the applicable equity incentive plan and award agreement.



(n) By approving the adoption of this Agreement and in accordance with the provisions of Rule 16b-3 under the Exchange Act, the board of directors of NewCo intends to exempt from the short-swing profit recovery provisions of Section 16(b) of the Exchange Act all acquisitions from and dispositions to NewCo of NewCo Equity Awards by directors and executive officers of NewCo contemplated by this Article III. The board of directors of NewCo also intends to expressly approve, in respect of all NewCo Equity Awards granted or issued to directors and executive officers of NewCo in accordance with this Article III, the use of any method for the payment of an exercise price and the satisfaction of any applicable tax withholding (specifically including the actual or constructive tendering of shares of NewCo Common Stock in payment of an exercise price and the withholding of such shares from delivery under options in satisfaction of applicable tax withholding requirements) to the extent such method is permitted under the applicable equity incentive plan and award agreement.

(o) Notwithstanding anything in this Agreement to the contrary (including the treatment of supplemental and deferred compensation plans, outstanding long-term incentive awards and annual incentive awards as described herein), SLM BankCo and NewCo agree to negotiate in good faith regarding the need for any treatment different from that otherwise provided herein to ensure that (i) a federal income tax deduction for the payment of such supplemental or deferred compensation or long-term incentive award, annual incentive award or other compensation is not limited by reason of Code Section 162(m), and (ii) the treatment of such supplemental or deferred compensation or long-term incentive award, annual incentive award or other compensation does not cause the imposition of a tax under Code Section 409A.

#### Certain Bonus Payments.

(p) Annual incentive bonuses in respect of calendar year 2014, prorated for the period commencing on January 1, 2014 and ending on the Distribution Date, may be paid to SLM BankCo Employees and NewCo Employees by SLM BankCo and NewCo, respectively, in the discretion of the compensation committee of each of SLM BankCo and NewCo, at the time such bonuses are normally paid in accordance with the bonus metrics determined by the compensation committee of the board of directors of Existing SLM (the “**2014 Pre-Spin Bonus**”). Each employee’s 2014 Pre-Spin Bonus shall be based on actual performance results based on the bonus metrics set by the compensation committee of the board of directors of Existing SLM, as such performance is certified by the board of directors of Existing SLM, for the period commencing on January 1, 2014 and ending on the last day of the full calendar quarter preceding the Distribution Date.

(q) SLM BankCo shall assume responsibility and liability for payment of 2014 Pre-Spin Bonuses to any SLM BankCo Employee. NewCo shall assume responsibility and liability for payment of 2014 Pre-Spin Bonuses to all individuals other than SLM BankCo Employees.

(r) Any other cash bonuses accrued or earned as of the Distribution Date but not yet paid shall be paid following the Distribution Date by SLM BankCo in the case of SLM BankCo Employees or by NewCo in the case of NewCo Employees and Former NewCo Employees at such time and in such amount as is prescribed by the terms of the applicable bonus arrangement.

ESPP.

(s) The administrator of the ESPP has taken all actions necessary and appropriate to suspend payroll deductions for and operation of the ESPP prior to the Distribution Date. SLM BankCo shall assume the ESPP effective as of the Distribution Date.

(t) Effective no later than immediately prior to the Distribution Date, NewCo shall establish the NewCo ESPP, which plan shall be approved by SLM BankCo in its capacity as the sole stockholder of NewCo prior to the Distribution Date.

*Section 3.2 Registration Statements; Blackouts*

(a) Before the Distribution Date or as soon as reasonably practicable thereafter and subject to compliance with applicable law, NewCo shall prepare and file with the SEC a registration statement on Form S-8 (or, if NewCo is not eligible to use Form S-8, another appropriate form for which NewCo is eligible) registering under the Securities Act the offer and sale of a number of shares of NewCo Common Stock equal to not less than the aggregate number of shares subject to all NewCo Equity Awards to be issued to the NewCo Employees and Former NewCo Employees in accordance with this Article III. NewCo shall use commercially reasonable efforts to cause such registration statement to be kept effective (and the prospectus or prospectuses forming a part thereof to be kept current to the extent required by the Securities Act) for so long as any of such NewCo Equity Awards remain outstanding.

(b) Before the Distribution Date or as soon as reasonably practicable thereafter and subject to compliance with applicable law, SLM BankCo shall prepare and file with the SEC a registration statement on Form S-8 (or, if SLM BankCo is not eligible to use Form S-8, another appropriate form for which SLM BankCo is eligible) registering under the Securities Act the offer and sale of a number of shares of SLM BankCo Common Stock equal to not less than the aggregate number of shares subject to all SLM BankCo Equity Awards to be issued to SLM BankCo Employees in accordance with this Article III. NewCo shall use commercially reasonable efforts to cause such registration statement to be kept effective (and the prospectus or prospectuses forming a part thereof to be kept current to the extent required by the Securities Act) for so long as any of such SLM BankCo Equity Awards remain outstanding.

(c) Each of NewCo and SLM BankCo covenants and agrees to use its commercially reasonable efforts to timely effect the adjustments and issuances of equity awards contemplated by this Article III, but acknowledges that such adjustments and issuances are subject to possible delays due to administrative issues and in order to comply with the requirements of applicable law and NASDAQ listing rules.

(d) The Parties acknowledge that the exercise and settlement of equity-based awards may be subject to blackout periods as necessary to comply with applicable law, and the Parties agree to use commercially reasonable efforts to cooperate in complying with such requirements.

## GENERAL PRINCIPLES FOR ALLOCATION OF LIABILITIES

## General Principles.

(a) Each member of the SLM BankCo Group and each member of the NewCo Group shall take any and all reasonable action as shall be necessary or appropriate so that active participation in the SLM BankCo Thrift Plan, SLM BankCo Welfare Plans and SLM BankCo Benefit Arrangements by all NewCo Employees and Former NewCo Employees shall terminate in connection with the Distribution as and when provided under this Agreement (or if not specifically provided under this Agreement, as of the Effective Time), and each member of the NewCo Group shall cease to be a participating employer under the terms of the SLM BankCo Thrift Plan, SLM BankCo Welfare Plans and SLM BankCo Benefit Arrangements as of such time.

(b) Each member of the NewCo Group and each member of the SLM BankCo Group shall take any and all reasonable action as shall be necessary or appropriate so that active participation in the NewCo Thrift Plan, NewCo Welfare Plans and NewCo Benefit Arrangements by all SLM BankCo Employees shall terminate in connection with the Distribution as and when provided under this Agreement (or if not specifically provided under this Agreement, as of the Effective Time), and each member of the SLM BankCo Group shall cease to be a participating employer under the terms of the NewCo Thrift Plan, NewCo Welfare Plans and NewCo Benefit Arrangements as of such time.

(c) Except as otherwise provided in this Agreement, (i) one or more members of the NewCo Group (as designated by NewCo) shall continue to be responsible for or assume, effective as of the Distribution Date, all employee benefits liabilities for NewCo Employees and Former NewCo Employees, and the assets relating to such employee benefits for NewCo Employees and Former NewCo Employees shall be transferred to or continue to be held by one or more members of the NewCo Group (as designated by NewCo) and (ii) one or more members of the SLM BankCo Group (as designated by SLM BankCo) shall continue to be responsible for or assume all employee benefits liabilities for SLM BankCo Employees and the assets relating to such employee benefits for SLM BankCo Employees shall be transferred to or continue to be held by one or more members of the SLM BankCo Group (as designated by SLM BankCo).

(d) Except as otherwise provided in this Agreement, effective as of the day after the Distribution Date, one or more members of the NewCo Group (as determined by NewCo) shall assume or continue the sponsorship of, and no member of the SLM BankCo Group shall have any further liability for or under, the following agreements, obligations and liabilities, and NewCo shall indemnify each member of the SLM BankCo Group, and the officers, directors, and employees of each member of the SLM BankCo Group, and hold them harmless with respect to such agreements, obligations or liabilities:

(i) any and all individual employment agreements entered into between any member of the SLM BankCo Group and any NewCo Employee or Former NewCo Employee;

(ii) any and all service agreements entered into between any member of the SLM BankCo Group and any individual who is an independent contractor providing services primarily for the business activities of the NewCo Group;

(iii) any and all wages, salaries, incentive compensation (as the same may be modified by this Agreement), commissions and bonuses payable to any NewCo Employees or Former NewCo Employees after the Distribution Date, without regard to when such wages, salaries, incentive compensation, commissions and bonuses are or may have been earned;

(iv) any and all moving expenses and obligations related to relocation, repatriation, transfers or similar items incurred by or owed to any NewCo Employees or Former NewCo Employees, whether or not accrued as of the Distribution Date (other than such expenses and obligations incurred by SLM BankCo on or prior to the Distribution Date as a result of which there is an existing liability as of the Distribution Date, all of which shall remain SLM BankCo's obligation);

(v) any and all immigration-related, visa, work application or similar rights, obligations and liabilities related to any NewCo Employees or Former NewCo Employees; and

(vi) any and all liabilities and obligations whatsoever with respect to claims made by or with respect to any NewCo Employees or Former NewCo Employees in connection with any employee benefit plan, program or policy not otherwise retained or assumed by any member of the SLM BankCo Group pursuant to this Agreement, including such liabilities relating to actions or omissions of or by any member of the NewCo Group or any officer, director, employee or agent thereof on or prior to the Distribution Date.

(e) Except as otherwise provided in this Agreement, effective as of the Effective Time, no member of the NewCo Group shall have any further liability for, and SLM BankCo shall indemnify each member of the NewCo Group, and the officers, directors, and employees of each member of the NewCo Group, and hold them harmless with respect to any and all liabilities and obligations whatsoever with respect to, claims made by or with respect to any SLM BankCo Employees in connection with any employee benefit plan, program or policy not otherwise retained or assumed by any member of the NewCo Group pursuant to this Agreement, including such liabilities relating to actions or omissions of or by any member of the SLM BankCo Group or any officer, director, employee or agent thereof on or prior to the Distribution Date.

Sponsorship and/or Establishment of NewCo Plans. Except as otherwise provided in this Agreement, sponsorship of benefit plans that cover solely NewCo Employees and Former NewCo Employees shall become effective not later than as of the Effective Time by a member of the NewCo Group, and to the extent necessary to achieve such sponsorship, each member of the SLM BankCo Group and each member of the NewCo Group shall take appropriate action, including transfer of sponsorship of each such plan. SLM BankCo Welfare Plans in which both (i) SLM BankCo Employees and (ii) NewCo Employees or Former NewCo Employees participate shall be divided into two separate plans, with one covering SLM BankCo Employees sponsored by a member of the SLM BankCo Group, and the other covering NewCo Employees and Former NewCo Employees sponsored by a member of the NewCo Group.

Service Credit.

(f) Service for Eligibility and Vesting Purposes. Except as otherwise provided in this Agreement, for purposes of eligibility and vesting under the NewCo Thrift Plan, NewCo Welfare Plans and NewCo Benefit Arrangements, NewCo shall, and shall cause each member of the NewCo Group to, credit each NewCo Employee and Former NewCo Employee with service for any period of employment with any member of the SLM BankCo Group on or prior to the Distribution Date to the same extent such service would be credited if it had been performed for a member of the NewCo Group. Except as otherwise provided in this Agreement, for purposes of eligibility and vesting under the SLM BankCo Thrift Plan, SLM BankCo Welfare Plans and SLM BankCo Benefit Arrangements, SLM BankCo shall, and shall cause each member of the SLM BankCo Group to, credit each SLM BankCo Employee and Former SLM BankCo Employee with service for any period of employment with any member of the NewCo Group on or prior to the Distribution Date to the same extent such service would be credited if it had been performed for a member of the SLM BankCo Group.

(g) Service for Benefit Purposes. Except as otherwise provided in this Agreement, (i) for purposes of benefit levels and accruals and benefit commencement entitlements under the NewCo Thrift Plan, NewCo Welfare Plans and NewCo Benefit Arrangements, NewCo shall, and shall cause each member of the NewCo Group to, credit each NewCo Employee and Former NewCo Employee with service for any period of employment with any member of the SLM BankCo Group on or prior to the Distribution Date to the same extent that such service is taken into account pursuant to the terms of the SLM BankCo Thrift Plan and SLM BankCo Welfare Plans, and (ii) for purposes of benefit commencement entitlements under the SLM BankCo Thrift Plan, SLM BankCo Welfare Plans and SLM BankCo Benefit Arrangements, SLM BankCo shall, and shall cause each member of the SLM BankCo Group to, credit each SLM BankCo Employee with service for any period of employment with any member of the NewCo Group on or prior to the Distribution Date to the same extent such service would be credited if it had been performed for a member of the SLM BankCo Group.

(h) Evidence of Prior Service. Notwithstanding anything to the contrary, but subject to applicable law, upon reasonable request by SLM BankCo or NewCo to the other, the first Party will provide to the other Party copies of any records available to the first Party to document the service, plan participation and membership of an Employee and cooperate with the first Party to resolve any discrepancies or obtain any missing data for purposes of determining benefit eligibility, participation, vesting and calculation of benefits with respect to such Employee.

(i) Post-Distribution Transfers. In the event, following the Distribution Date, a NewCo Employee leaves the employ of the NewCo Group to become an employee of the SLM BankCo Group, such NewCo Employee will experience a separation from service, severance from employment and termination of employment, as applicable, for purposes of the NewCo Thrift Plan, NewCo Welfare Plans and any other compensatory plan or arrangement maintained by the NewCo Group. In the event, following the Distribution Date, a SLM BankCo Employee leaves the employ of the SLM BankCo Group to become an employee of the NewCo Group, such BankCo Employee will experience a separation from service, severance from employment and termination of employment, as applicable, for purposes of the SLM BankCo Thrift Plan, SLM BankCo Welfare Plans and any other compensatory plan or arrangement maintained by the SLM BankCo Group.

Plan Administration.

(j) Transition Services. The Parties acknowledge that the SLM BankCo Group or the NewCo Group may provide administrative services for certain of the other Party's benefit programs for a transitional period under the terms of an applicable transition services agreement. The Parties agree to enter into a business associate agreement (if required by applicable health information privacy laws) in connection with such transition services agreement.

(k) Administration. NewCo shall use its reasonable best efforts to, and shall cause each member of the NewCo Group to use its reasonable best efforts to, administer its benefit plans in a manner that does not jeopardize the tax-favored status of the tax-favored benefit plans maintained by any member of the SLM BankCo Group. SLM BankCo shall use its reasonable best efforts to, and shall cause each member of the SLM BankCo Group to use its reasonable best efforts to, administer its benefit plans in a manner that does not jeopardize the tax-favored status of the tax-favored benefit plans maintained by any member of the NewCo Group.

(l) Participant Elections and Beneficiary Designations. All participant elections and beneficiary designations made under any plan sponsored by a member of the SLM BankCo Group prior to the effective date as of which assets or liabilities relating to that plan are transferred or allocated to a member of the NewCo Group shall continue in effect under any plan maintained by any member of the NewCo Group to which liabilities are transferred or allocated pursuant to this Agreement until such time as any applicable participant changes his elections or beneficiary designations in accordance with the procedures of the relevant plan, as the case may be, including deferral, investment, and payment form elections, dividend elections, coverage options and levels, beneficiary designations and the rights of alternate payees under qualified domestic relations orders.

ARTICLE V

COLI POLICIES

COLI. Notwithstanding any other provision of the Agreement, on or prior to the Distribution Date, a member of the NewCo Group shall assume (or retain, as applicable) sponsorship and responsibility for that certain trust established in connection with the Sallie Mae Deferred Compensation Plan for Key Employees (the "**SLM BankCo Rabbi Trust**"), and the company-owned life insurance policies, which were adopted in connection with a deferred compensation arrangement but not held in the SLM BankCo Rabbi Trust shall be transferred to (or, as applicable, retained by) a member of the NewCo Group.

ARTICLE VI

THRIFT PLANS

General Principles. Effective as of a date on or prior to the Distribution Date, NewCo will establish and adopt a qualified employee cash or deferred arrangement under Code Section 401(k) (the “**NewCo Thrift Plan**”) intended to be qualified under Code Section 401(a) and containing provisions that provide, among other things, (i) benefits for each NewCo Employee and Former NewCo Employee who was a participant (or former participant with a remaining account balance) in the SLM BankCo Thrift Plan as of the date immediately prior to the establishment of the NewCo Thrift Plan (and each beneficiary and alternate payee of such person) (the “**NewCo Thrift Plan Beneficiaries**”) identical (except as provided in this Article VI) to those in effect for the NewCo Thrift Plan Beneficiaries under the SLM BankCo Thrift Plan as of the date of transfer of assets and liabilities with respect to such plan (as described below), and (ii) SLM BankCo Employees (and each beneficiary or alternate payee of such person) (the “**SLM BankCo Thrift Plan Beneficiaries**”) with participant account balances reflecting shares of NewCo Common Stock received in the Distribution. Each NewCo Employee who was an active participant in the SLM BankCo Thrift Plan as of the date immediately prior to the establishment of the NewCo Thrift Plan shall participate in the NewCo Thrift Plan effective from and after its establishment. NewCo Employees and Former NewCo Employees shall not make or receive additional contributions under the SLM BankCo Thrift Plan after the effective date of the NewCo Thrift Plan, unless any such NewCo Employee or Former NewCo Employee shall become employed by any member of the SLM BankCo Group after such date and such member participates in the SLM BankCo Thrift Plan. A SLM BankCo Employee shall not participate in the NewCo Thrift Plan unless any such SLM BankCo Employee shall become employed by any member of the NewCo Group after the effective date of the NewCo Thrift Plan and such member participates in the NewCo Thrift Plan. The interest of each NewCo Thrift Plan Beneficiary in the SLM BankCo Thrift Plan attributable to employer matching contributions and employer core contributions as of the Distribution Date (which shall be limited to the amounts invested in the SLM BankCo Common Stock fund) shall be 100% vested on the Distribution Date. The interest of each SLM BankCo Thrift Plan Beneficiary in the NewCo Thrift Plan attributable to employer matching contributions and employer core contributions as of the Distribution Date (which shall be limited to the amounts invested in the NewCo Common Stock fund) shall be 100% vested on the Distribution Date. The participating employers in each of the NewCo Thrift Plan and SLM BankCo Thrift Plan as of the Effective Time are described in Schedule 6.1.

Treatment of SLM BankCo Common Stock and NewCo Common Stock.

(a) NewCo Common Stock Fund. The NewCo Thrift Plan will provide as of the Distribution Date: (i) for the establishment of a NewCo Common Stock fund; (ii) that such NewCo Common Stock fund shall receive and hold all shares of NewCo Common Stock to be distributed in the Distribution on behalf of NewCo Thrift Plan Beneficiaries and SLM BankCo Thrift Plan Beneficiaries; (iii) that, following the Distribution Date, contributions made by or on behalf of NewCo Thrift Plan Beneficiaries may be allocated to the NewCo Common Stock fund; (iv) that the SLM BankCo Thrift Plan Beneficiaries will be prohibited from increasing their holdings in the NewCo Common Stock fund; (v) that the SLM BankCo Thrift Plan Beneficiaries

may elect to liquidate their holdings in the NewCo Common Stock fund and invest those monies in any other investment fund offered under the NewCo Thrift Plan; and (vi) that the SLM BankCo Thrift Plan Beneficiaries may elect to receive their holdings in the NewCo Thrift Plan in accordance with the distribution options provided under such plan to terminated employees. Additionally, NewCo shall cause the NewCo Thrift Plan to provide that the SLM BankCo Thrift Plan Beneficiaries shall participate in the NewCo Thrift Plan in respect of their accounts thereunder; provided, however, NewCo may in its discretion provide that the NewCo Common Stock fund shall no longer be offered as an investment alternative under the NewCo Thrift Plan.

(b) SLM BankCo Common Stock Fund. SLM BankCo shall amend the SLM BankCo Thrift Plan, on or prior to the Distribution Date, to provide that, following the Distribution: (i) the SLM BankCo Common Stock fund will hold the assets of the accounts of the NewCo Thrift Plan Beneficiaries invested in the SLM BankCo Common Stock fund; (ii) the NewCo Thrift Plan Beneficiaries will be prohibited from increasing their holdings in the SLM BankCo Common Stock fund; (iii) the NewCo Thrift Plan Beneficiaries may elect to liquidate their holdings in the SLM BankCo Common Stock fund and invest those monies in any other investment fund offered under the SLM BankCo Thrift Plan; and (iv) the NewCo Thrift Plan Beneficiaries may elect to receive their holdings in the SLM BankCo Thrift Plan in accordance with the distribution options available under such plan to terminated employees. SLM BankCo shall cause the SLM BankCo Thrift Plan to provide that NewCo Thrift Plan Beneficiaries shall participate in the SLM BankCo Thrift Plan in respect of their accounts thereunder; provided, however, SLM BankCo may in its discretion provide that the SLM BankCo Common Stock fund shall no longer be offered as an investment alternative under the SLM BankCo Thrift Plan.

(c) Transfer of Accounts. Effective as soon as practicable following the Distribution Date, SLM BankCo shall cause to be transferred from the trust under the SLM BankCo Thrift Plan to the trust under the NewCo Thrift Plan the aggregate amount that is credited to the accounts of the NewCo Thrift Plan Beneficiaries as of such date. The transfer shall, to the extent reasonably possible, be an in-kind transfer, subject to the reasonable consent of the trustee of the NewCo Thrift Plan trust and shall include the transfer of the aggregate assets held in the accounts relating to each NewCo Thrift Plan Beneficiary under the SLM BankCo Thrift Plan and any participant loan notes held under such plans. SLM BankCo shall cause the SLM BankCo Thrift Plan to allocate to the NewCo Thrift Plan a proportionate share of any forfeiture account under the SLM BankCo Thrift Plan.

Supplemental 401(k) Plan. Effective prior to the Distribution Date, a member of the SLM BankCo Group shall assume responsibility for the Sallie Mae Supplemental 401(k) Savings Plan (the “**Supplemental 401(k) Plan**”), and a mirror plan (the “**NewCo Supplemental 401(k) Plan**”) will be established by a member of the NewCo Group. As of the Effective Time, the NewCo Supplemental 401(k) Plan will assume all liability under the Supplemental 401(k) Plan for benefits to NewCo Employees and Former NewCo Employees, including any notional investment accounts deemed invested in NewCo Common Stock or SLM BankCo Common Stock. The NewCo Supplemental 401(k) Plan will continue to honor any deferral elections and payment timing provisions in effect under the Supplemental 401(k) Plan for NewCo Employees and Former NewCo Employees.



Deferred Compensation Plans. Effective prior to the Distribution Date, a member of the NewCo Group shall assume responsibility for the Sallie Mae Deferred Compensation Plan for Key Employees and the SLM Corporation Deferred Compensation Plan for Directors (collectively, the “**Deferred Compensation Plans**”), and mirror plans (the “**SLM BankCo Deferred Compensation Plans**”) will be established by a member of the SLM BankCo Group. As of the Effective Time, the SLM BankCo Deferred Compensation Plans will assume all liability under the Deferred Compensation Plans for benefits to SLM BankCo Employees and SLM BankCo Directors, including any notional investment accounts deemed invested in SLM BankCo Common Stock or NewCo Common Stock. The SLM BankCo Deferred Compensation Plan will continue to honor any deferral elections and payment timing provisions in effect under the Deferred Compensation Plan for SLM BankCo Employees and SLM BankCo Directors.

## ARTICLE VII

### WELFARE PLANS

Establishment of NewCo Welfare Plans. Except as provided below, the members of the NewCo Group who had previously adopted a SLM BankCo Welfare Plan and were participating employers therein (“**Participating NewCo Employers**”) will, as of not later than the day following the Distribution Date, withdraw from such participation, and, effective as of the day following the Distribution Date, one or more of the Participating NewCo Employers will assume sponsorship, under newly established welfare plans, of the coverage and benefits which were offered under such plans to the NewCo Employees and the Former NewCo Employees (and their eligible spouses and dependents as the case may be) of the Participating NewCo Employers (collectively, the “**NewCo Welfare Plan Participants**”). Such coverage and benefits shall then be provided to the NewCo Welfare Plan Participants on an uninterrupted basis under the newly established NewCo Welfare Plans which shall contain substantially the same benefit provisions as in effect under the corresponding SLM BankCo Welfare Plan immediately prior to the Effective Time. Except as provided below, effective as of the Effective Time, liabilities relating to the NewCo Welfare Plan Participants shall be spun off from each SLM BankCo Welfare Plan and allocated to the corresponding new NewCo Welfare Plan. The participating employers in each of the NewCo Welfare Plan and SLM BankCo Welfare Plan as of the Effective Time are described in Schedule 6.1.

As a result of withdrawal from participation in the SLM BankCo Welfare Plans by the Participating NewCo Employers, the NewCo Welfare Plan Participants ceased to be eligible for coverage under the SLM BankCo Welfare Plans as of the Effective Time. NewCo Welfare Plan Participants shall not participate in any SLM BankCo Welfare Plans after the Distribution Date, unless they shall become employed after such date by any member of the SLM BankCo Group that participates in such plans and meet the terms and conditions of participation thereunder. SLM BankCo Employees shall not participate in any NewCo Welfare Plans, unless they shall become employed after the Distribution Date by any member of the NewCo Group that participates in such plans and meet the terms and conditions of participation thereunder.

(a) Treatment of Claims Incurred.

(i) Self-Insured Benefits. NewCo will assume and be responsible for the funding of payment for any unpaid covered claim and eligible expense:

(A) incurred by any NewCo Welfare Plan Participant prior to the Effective Time under a SLM BankCo Welfare Plan that is not described in section 7.2(a)(ii) below, to the extent such participant has coverage under such plan as, or through, an employee or former employee of a Participating NewCo Employer on the date such claim or expense is incurred; or

(B) incurred by any NewCo Employee or Former NewCo Employee prior to the Effective Time under a SLM BankCo Benefit Arrangement that is not described in section 7.2(a)(ii) below.

No member of the SLM BankCo Group shall be responsible for any liability with respect to any such claims or expenses.

(ii) Insured Benefits. With respect to benefits that, on or prior to the Distribution Date, were provided for under the SLM BankCo Welfare Plans through the purchase of insurance, SLM BankCo shall cause the SLM BankCo Welfare Plans to fully perform, pay and discharge all claims of NewCo Welfare Plan Participants that were incurred prior to the Distribution Date.

(iii) Claims Incurred. For purposes of this Section 7.2(a), a claim or liability is deemed to be incurred (A) with respect to medical, dental, vision and/or prescription drug benefits, upon the rendering of health services giving rise to such claim or liability; (B) with respect to life insurance, accidental death and dismemberment and business travel accident insurance, upon the occurrence of the event giving rise to such claim or liability; (C) with respect to long-term disability benefits, upon the date of an individual's disability, as determined by the disability benefit insurance carrier or claim administrator, giving rise to such claim or liability; and (D) with respect to a period of continuous hospitalization, upon the date of admission to the hospital, unless otherwise provided under the terms of the applicable SLM BankCo Welfare Plan or SLM BankCo Benefit Arrangement.

(b) Credit for Deductibles and Other Limits. With respect to each NewCo Welfare Plan Participant, the NewCo Welfare Plans will give credit in plan year 2014 for any amount paid, number of services obtained or visits provided under the comparable type SLM BankCo Welfare Plan by such NewCo Welfare Plan Participant in plan year 2014 toward deductibles, out-of-pocket maximums, limits on number of services or visits, or other similar limitations to the extent such amounts are taken into account under the comparable type SLM BankCo Welfare Plan. For purposes of any life-time maximum benefit limit payable to a NewCo Welfare Plan Participant under any NewCo Welfare Plan, the NewCo Welfare Plans will recognize any expenses paid or reimbursed by a SLM BankCo Welfare Plan with respect to such participant on or prior to the Distribution Date to the same extent such expense payments or reimbursements would be recognized in respect of an active plan participant under that SLM BankCo Welfare Plan.

(c) COBRA. Effective as of the Effective Time, NewCo has assumed and will satisfy all requirements under COBRA with respect to all NewCo Employees and Former NewCo Employees and their qualified beneficiaries, including for individuals who are already receiving benefits as of such date under COBRA.

(d) Long-Term Care Insurance. Effective as of the Effective Time, any long-term care arrangements provided under a SLM BankCo Benefits Arrangement will be terminated, and NewCo shall assume responsibility for any employer obligations associated with long-term care coverage provided under a SLM BankCo Benefits Arrangement.

Continuity of Benefits, Benefit Elections and Beneficiary Designations.

(e) Benefit Elections and Designations. As of the Distribution Date (or such other date provided for under subsection 7.3(b)), NewCo has caused the NewCo Welfare Plans to recognize and give effect to all elections and designations (including all coverage and contribution elections and beneficiary designations) made by each NewCo Welfare Plan Participant under, or with respect to, the corresponding SLM BankCo Welfare Plan for plan year 2014.

(f) Additional Details Regarding Reimbursement Accounts. To the extent any NewCo Welfare Plan provides or constitutes a health care flexible spending account, dependent care flexible spending account, or health reimbursement arrangement (each a “**NewCo Reimbursement Account**”), such NewCo Welfare Plan shall be deemed effective as of January 1, 2014 rather than the Effective Time. It is the intention of the Parties that all activity under a NewCo Welfare Plan Participant’s flexible spending account or health reimbursement arrangement with SLM BankCo for plan year 2014 be treated instead as activity under the corresponding NewCo Reimbursement Account. Accordingly, (i) any period of participation by a NewCo Welfare Plan Participant in a SLM BankCo flexible spending account or health reimbursement arrangement during plan year 2014 (the “**Participation Period**”) will be deemed a period when the NewCo Welfare Plan Participant participated in the corresponding NewCo Reimbursement Account; (ii) all expenses incurred during a Participation Period will be deemed incurred while the participant’s coverage was in effect under the corresponding NewCo Reimbursement Account; and (iii) all elections and reimbursements made with respect to a Participation Period under a SLM BankCo flexible spending account or health reimbursement arrangement will be deemed to have been made with respect to the corresponding NewCo Reimbursement Account. As soon as practicable following the Effective Time, BankCo will transfer to NewCo the amount of employee contributions to healthcare flexible spending accounts, dependent care flexible spending accounts, and health reimbursement arrangements collected on behalf of NewCo Welfare Plan Participants as of the Effective Time, less the amount of account benefits paid on behalf of NewCo Welfare Plan Participants as of the Effective Time (and if the amount of account benefits paid on behalf of NewCo Welfare Plan Participants as of the Effective Time exceeds the amount of contributions collected from NewCo Welfare Plan Participants, NewCo shall make a payment to BankCo in amount equal to such deficit).

(g) Employer Non-elective Contributions. As of the Distribution Date, NewCo has caused any NewCo Welfare Plan that constitutes a cafeteria plan under Section 125 of the Code to recognize and give effect to all non-elective employer contributions payable and paid toward coverage of a NewCo Welfare Plan Participant under the corresponding SLM BankCo Welfare Plan that is a cafeteria plan under Section 125 of the Code for the applicable cafeteria plan year.

Insurance Contracts. To the extent any SLM BankCo Welfare Plan is funded through the purchase of an insurance contract or is subject to any stop loss contract, SLM BankCo and NewCo will cooperate and use their commercially reasonable efforts to replicate such insurance contracts (except to the extent changes are required under applicable state insurance laws) and to maintain any pricing discounts or other preferential terms for both SLM BankCo and NewCo for a reasonable term. Neither Party shall be liable for failure to obtain such pricing discounts or other preferential terms for the other Party. Each Party shall be responsible for any additional premiums, charges or administrative fees that such Party may incur pursuant to this Section 7.4.

Third-Party Vendors. Except as provided below, to the extent any SLM BankCo Welfare Plan is administered by a third-party vendor, SLM BankCo and NewCo will cooperate and use their commercially reasonable efforts to replicate any contract with such third-party vendor and to maintain any pricing discounts or other preferential terms for both SLM BankCo and NewCo for a reasonable term. Neither Party shall be liable for failure to obtain such pricing discounts or other preferential terms for the other Party. Each Party shall be responsible for any additional premiums, charges or administrative fees that such Party may incur pursuant to this Section 7.5.

Claims Experience. Notwithstanding the foregoing, SLM BankCo and NewCo shall use commercially reasonable efforts to ensure that any claims experience under the SLM BankCo Welfare Plans attributable to NewCo Welfare Beneficiaries shall be available to the NewCo Welfare Plans, to the extent permitted by any applicable privacy protection laws or regulations or Privacy Contracts.

## ARTICLE VIII

### BENEFIT ARRANGEMENTS

Except as otherwise provided under this Agreement, effective as of the Distribution Date, NewCo Employees and Former NewCo Employees are no longer eligible to participate in any SLM BankCo Benefit Arrangement.

## ARTICLE IX

### WORKERS' COMPENSATION AND UNEMPLOYMENT COMPENSATION

Workers' Compensation. Effective as of the Distribution Date, NewCo shall have (and, to the extent it has not previously had such obligations, assume) the obligations for all claims and liabilities relating to workers' compensation benefits for all NewCo Employees and Former NewCo Employees. Effective as of the Distribution Date, SLM BankCo shall have (and, to the extent it has not previously had such obligations, assume) the obligations for all claims and liabilities relating to workers' compensation benefits for all SLM BankCo Employees. NewCo and SLM BankCo shall use commercially reasonable efforts to provide that workers' compensation insurance costs are not adversely affected for either of them by reason of the Distribution.

Unemployment Compensation. Effective as of the Distribution Date, NewCo shall have (and, to the extent it has not previously had such obligations, assume) the obligations for all claims and liabilities relating to unemployment compensation benefits for all NewCo Employees and Former NewCo Employees. NewCo shall use commercially reasonable efforts to provide that unemployment insurance costs are not adversely affected by reason of the Distribution.

## ARTICLE X

### RETENTION, SEVERANCE AND OTHER MATTERS

#### Retention Agreements.

(a) NewCo Obligations. Effective as of the Distribution Date, NewCo hereby assumes Existing SLM's rights and obligations arising under any retention agreements other than those described in Schedule 10.1(b) and agrees to honor the terms and conditions of those agreements applicable to NewCo as a successor under the terms of such agreements. Except for NewCo's assumption of the retention agreements as described above, the terms of the retention agreements shall in all other respects be unaffected.

(b) SLM BankCo Obligations. SLM BankCo shall continue to be responsible for and remain obligated under the retention agreements described in Schedule 10.1(b) and agrees to honor the terms and conditions of those agreements.

(c) Additional Obligations. NewCo and SLM BankCo shall each be solely responsible for any other retention arrangements entered into by any member of the NewCo Group or any member of the SLM BankCo Group, respectively, and that are not otherwise allocated by this Agreement to a member of either the SLM BankCo Group or the NewCo Group.

#### Severance.

(d) Except as otherwise provided in this Agreement, immediately following the Distribution, SLM BankCo shall have no liability or obligation under any SLM BankCo severance plan or policy with respect to NewCo Employees or Former NewCo Employees. NewCo shall be responsible for paying severance benefits, in accordance with a severance plan or policy that it may establish in its discretion, to individuals who transfer from employment with a member of the SLM BankCo Group to employment with a member of the NewCo Group in connection with the Distribution and who are involuntarily terminated following the Distribution Date.

(e) Except as otherwise provided in this Agreement, effective after the Distribution Date, NewCo shall assume and shall be responsible for administering all payments and benefits under the applicable SLM BankCo severance policies or any termination agreements with Former NewCo Employees whose employment terminated prior to the Distribution Date for an eligible reason under such policies or in accordance with such agreements.

Accrued Time Off. NewCo shall recognize and assume all liability for all vacation, holiday, sick leave, flex days, personal days and paid-time off with respect to NewCo Employees accrued prior to the Distribution Date, and NewCo shall credit each NewCo Employee with such accrual.

Leaves of Absence. Employees of the Group on approved leave of absence as of the time immediately prior to the Distribution Date will be allocated to and assigned to be an employee of either the NewCo Group or the BankCo Group as of the Effective Time. NewCo will continue to apply the appropriate leave of absence policies applicable to inactive NewCo Employees who are on an approved leave of absence as of the Distribution Date and the terms of any such leave policy for such employees shall be honored by NewCo. Leaves of absence taken by NewCo Employees prior to the Distribution Date shall be deemed to have been taken as employees of a member of the NewCo Group.

Director Programs. SLM BankCo shall retain responsibility for the payment of any fees payable in respect of service on the SLM BankCo board of directors that are payable but not yet paid as of the Distribution Date, and NewCo shall not have any responsibility for any such payments.

Restrictive Covenants in Employment and Other Agreements.

(f) To the fullest extent permitted by the agreements described in this Section 10.6(a) and applicable law, SLM BankCo shall assign, or cause any member of the SLM BankCo Group to assign, to NewCo or a member of the NewCo Group, as designated by NewCo, all agreements containing restrictive covenants (including confidentiality and non-competition provisions) between a member of the SLM BankCo Group and a NewCo Employee or Former NewCo Employee, with such assignment effective as of the Effective Time. To the extent that assignment of such agreements is not permitted, effective as of the Effective Time, each member of the NewCo Group shall be considered to be a successor to each member of the SLM BankCo Group for purposes of, and a third-party beneficiary with respect to, all agreements containing restrictive covenants (including confidentiality and non-competition provisions) between a member of the SLM BankCo Group and a NewCo Employee or Former NewCo Employee whom NewCo reasonably determines has substantial knowledge of the business activities of the NewCo Group, such that each member of the NewCo Group shall enjoy all the rights and benefits under such agreements (including rights and benefits as a third-party beneficiary), with respect to the business operations of the NewCo Group; provided, however, that in no event shall SLM BankCo be permitted to enforce such restrictive covenant agreements against NewCo Employees or Former NewCo Employees for action taken in their capacity as employees of a member of the NewCo Group.

(g) To the fullest extent permitted by the agreements described in this Section 10.6(b) and applicable law, NewCo shall assign, or cause any member of the NewCo Group to assign, to SLM BankCo or a member of the SLM BankCo Group, as designated by SLM BankCo, all agreements containing restrictive covenants (including confidentiality and non-competition provisions) between a member of the NewCo Group and a SLM BankCo Employee, with such assignment effective as of the Effective Time. To the extent that assignment of such agreements is not permitted, effective as of the Effective Time, each member of the SLM BankCo Group shall be considered to be a successor to each member of the NewCo Group for purposes of, and a third-party beneficiary with respect to, all agreements containing restrictive covenants (including confidentiality and non-competition provisions) between a member of the NewCo Group and a

SLM BankCo Employee whom SLM BankCo reasonably determines has substantial knowledge of the business activities of the SLM BankCo Group, such that SLM BankCo and each member of the SLM BankCo Group shall enjoy all the rights and benefits under such agreements (including rights and benefits as a third-party beneficiary), with respect to the business operations of the SLM BankCo Group; provided, however, that in no event shall NewCo be permitted to enforce such restrictive covenant agreements against SLM BankCo Employees for action taken in their capacity as employees of a member of the SLM BankCo Group.

## ARTICLE XI

### LEGACY LIABILITY

Legacy Pension Plan. NewCo shall assume, and no member of the SLM BankCo Group shall have any further liability for or under, the Sallie Mae Cash Account Retirement Pension Plan liabilities (“**Legacy Pension Liabilities**”), and NewCo shall indemnify each member of the SLM BankCo Group, and the officers, directors, and employees of each member of the SLM BankCo Group, and hold them harmless as against the Legacy Pension Liabilities.

Scholarships. SLM BankCo shall assume liability for providing previously awarded company-sponsored scholarship benefits to SLM BankCo Employees, Former BankCo Employees and their children, as applicable, and NewCo shall assume liability for providing previously awarded company-sponsored scholarship benefits to NewCo Employees, Former NewCo Employees and their children, as applicable.

## ARTICLE XII

### GENERAL PROVISIONS

Preservation of Rights to Amend. The rights of each member of the SLM BankCo Group and each member of the NewCo Group to amend, waive, or terminate any plan, arrangement, agreement, program, or policy referred to herein shall not be limited in any way by this Agreement.

Confidentiality. Each Party agrees that any information conveyed or otherwise received by or on behalf of a Party in conjunction herewith that is not otherwise public through no fault of such Party is confidential and is subject to the terms of the confidentiality provisions set forth in the Separation Agreement.

Administrative Complaints/Litigation. Except as otherwise provided in this Agreement, on and after the Distribution Date, NewCo shall assume, and be solely liable for, the handling, administration, investigation and defense of actions, including ERISA, occupational safety and health, employment standards, union grievances, wrongful dismissal, discrimination or human rights and unemployment compensation claims asserted at any time against SLM BankCo or any member of the SLM BankCo Group by any NewCo Employee or Former NewCo Employee (including any dependent or beneficiary of any such Employee) or any other person, to the extent such actions or claims arise out of or relate to employment or the provision of services (whether as an employee, contractor, consultant or otherwise) to or with respect to the business activities of any member of the NewCo Group, whether or not such employment or services were

performed before or after the Distribution. To the extent that any legal action relates to a putative or certified class of plaintiffs, which includes both SLM BankCo Employees and NewCo Employees (or Former NewCo Employees) and such action involves employment or benefit plan related claims, reasonable costs and expenses incurred by the Parties in responding to such legal action shall be allocated among the Parties equitably in proportion to a reasonable assessment of the relative proportion of employees included in or represented by the putative or certified plaintiff class. The procedures contained in the indemnification and related litigation cooperation provisions of the Separation Agreement shall apply with respect to each Party's indemnification obligations under this Section 12.3.

**Reimbursement and Indemnification.** SLM BankCo and NewCo hereto agrees to reimburse the other Party, within 60 days of receipt from the other Party of reasonable verification, for all costs and expenses which the other Party may incur on its behalf as a result of any of the respective SLM BankCo and NewCo Welfare Plans, Thrift Plan and Benefit Arrangements and, as contemplated by Section 10.2, any termination or severance payments or benefits. All liabilities retained, assumed or indemnified against by NewCo pursuant to this Agreement, and all liabilities retained, assumed or indemnified against by SLM BankCo pursuant to this Agreement, shall in each case be subject to the indemnification provisions of the Separation Agreement. Notwithstanding anything to the contrary, (i) no provision of this Agreement shall require any member of the NewCo Group to pay or reimburse to any member of the SLM BankCo Group any benefit-related cost item that a member of the NewCo Group has previously paid or reimbursed to any member of the SLM BankCo Group; and (ii) no provision of this Agreement shall require any member of the SLM BankCo Group to pay or reimburse to any member of the NewCo Group any benefit-related cost item that a member of the SLM BankCo Group has previously paid or reimbursed to any member of the NewCo Group.

**Costs of Compliance with Agreement.** Except as otherwise provided in this Agreement or any other Ancillary Agreement, each Party shall pay its own expenses in fulfilling its obligations under this Agreement.

**Fiduciary Matters.** SLM BankCo and NewCo each acknowledge that actions required to be taken pursuant to this Agreement may be subject to fiduciary duties or standards of conduct under ERISA or other applicable law, and no Party shall be deemed to be in violation of this Agreement if it fails to comply with any provisions hereof based upon its good faith determination (as supported by advice from counsel experienced in such matters) that to do so would violate such a fiduciary duty or standard. Each Party shall be responsible for taking such actions as are deemed necessary and appropriate to comply with its own fiduciary responsibilities and shall fully release and indemnify the other Party for any liabilities caused by the failure to satisfy any such responsibility.

**Entire Agreement.** This Agreement, together with the documents referenced herein (including the Separation Agreement, the Ancillary Agreements and the plans and agreements referenced herein), constitutes the entire agreement and understanding among the Parties with respect to the subject matter hereof and supersedes all prior written and oral and all contemporaneous oral agreements and understandings with respect to the subject matter hereof. To the extent any provision of this Agreement conflicts with the provisions of the Separation Agreement, the provisions of this Agreement shall be deemed to control with respect to the subject matter hereof.



**Binding Effect; No Third-Party Beneficiaries; Assignment.** This Agreement shall inure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. This Agreement is solely for the benefit of the Parties and should not be deemed to confer upon any third parties any remedy, claim, liability, reimbursement, cause of action or other right in excess of those existing without reference to this Agreement. Nothing in this Agreement is intended to amend any employee benefit plan or affect the applicable plan sponsor's right to amend or terminate any employee benefit plan pursuant to the terms of such plan. Except as otherwise provided in Section 10.1(a), the provisions of this Agreement are solely for the benefit of the Parties, and no current or former Employee, officer, director or independent contractor or any other individual associated therewith shall be regarded for any purpose as a third-party beneficiary of this Agreement. This Agreement may not be assigned by any Party, except with the prior written consent of the other Parties.

**Amendment; Waivers.** No change or amendment may be made to this Agreement except by an instrument in writing signed on behalf of each of the Parties. Any Party may, at any time, (i) extend the time for the performance of any of the obligations or other acts of another Party, (ii) waive any inaccuracies in the representations and warranties of another Party contained herein or in any document delivered pursuant hereto, and (iii) waive compliance by another Party with any of the agreements, covenants or conditions contained herein. Any such extension or waiver shall be valid only if set forth in an instrument in writing signed by the Party to be bound thereby. No failure or delay on the part of any Party in the exercise of any right hereunder shall impair such right or be construed to be a waiver of, or acquiescence in, any breach of any representation, warranty, covenant or agreement contained herein, nor shall any single or partial exercise of any such right preclude other or further exercises thereof or of any other right.

**Remedies Cumulative.** All rights and remedies existing under this Agreement or the Schedules attached hereto are cumulative to, and not exclusive of, any rights or remedies otherwise available.

**Notices.** Unless otherwise expressly provided herein, all notices, claims, certificates, requests, demands and other communications hereunder shall be in writing and shall be deemed to be duly given: (i) when personally delivered, (ii) if mailed by registered or certified mail, postage prepaid, return receipt requested, on the date the return receipt is executed or the letter is refused by the addressee or its agent, (iii) if sent by overnight courier which delivers only upon the executed receipt of the addressee, on the date the receipt acknowledgment is executed or refused by the addressee or its agent, or (iv) if sent by facsimile or electronic mail, on the date confirmation of transmission is received (provided that a copy of any notice delivered pursuant to this clause (iv) shall also be sent pursuant to clause (i), (ii) or (iii)), addressed to the attention of the addressee's General Counsel at the address of its principal executive office or to such other address or facsimile number for a Party as it shall have specified by like notice.

**Counterparts.** This Agreement may be executed in multiple counterparts, each of which when executed shall be deemed to be an original but all of which together shall constitute one and the same agreement.

Severability. If any term or other provision of this Agreement or the Schedules attached hereto is determined by a nonappealable decision by a court, administrative agency or arbitrator to be invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the court, administrative agency or arbitrator shall interpret this Agreement so as to affect the original intent of the Parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the fullest extent possible. If any sentence in this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

Governing Law. To the extent not preempted by applicable federal law, this Agreement shall be governed by, and construed and enforced in accordance with, the substantive laws of the State of Delaware, without regard to any conflicts of law provisions thereof that would result in the application of the laws of any other jurisdiction.

Performance. Each of SLM BankCo and NewCo shall cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth herein to be performed by any member of the SLM BankCo Group and any member of the NewCo Group, respectively. The Parties each agree to take such further actions and to execute, acknowledge and deliver, or to cause to be executed, acknowledged and delivered, all such further documents as are reasonably requested by the other for carrying out the purposes of this Agreement or of any document delivered pursuant to this Agreement.

Construction. This Agreement shall be construed as if jointly drafted by the Parties and no rule of construction or strict interpretation shall be applied against any Party.

Effect if Distribution Does Not Occur. Notwithstanding anything in this Agreement to the contrary, if the Separation Agreement is terminated prior to the Distribution Date, this Agreement shall be of no further force and effect.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed in their names by a duly authorized officer as of the date first written above.

NEW BLC CORPORATION

By: /s/ John F. Remondi  
Name: John F. Remondi  
Title: Chief Executive Officer

NAVIENT CORPORATION

By: /s/ Raymond Quinlan  
Name: Raymond Quinlan  
Title: Chief Executive Officer

**Schedules to the Employee Matters Agreement**

**Schedule 3.3(b) RSU Awards to be Converted via Concentration Method**

One-time equity grant of restricted stock units issued to Raymond J. Quinlan on January 21, 2014

**Schedule 6.1 Participating Employers as of the Effective Time**

Participating employers in the NewCo Thrift Plan and NewCo Welfare Plan:

Asset Performance Group, LLC  
Navient Solutions, Inc. (successor to Sallie Mae, Inc.)  
Navient Investment Corporation  
Student Assistance Corporation  
Navient Education Loan Corp.  
Navient DE Corporation  
Navient Credit Finance Corporation  
RKL Financial Corporation  
Pioneer Credit Recovery, Inc.  
Student Outreach Solutions, Inc.  
General Revenue Corporation

Participating employers in the SLM BankCo Thrift Plan and SLM BankCo Welfare Plan:

Upromise, Inc.  
Sallie Mae Bank  
SMB Servicing Company, Inc.

**Schedule 10.1(b) Retention Arrangements Assumed by SLM BankCo**

Employment Agreement, dated as of April 21, 2014, by and between Laurent C. Lutz, SLM Corporation, and New BLC Corporation

Letter Agreement, dated April 15, 2014, by and between Joeseeph A. DePaulo, SLM Corporation, and New BLC Corporation

Letter Agreement, dated January 15, 2014, by and between Raymond J. Quinlan and SLM Corporation

TAX SHARING AGREEMENT

BETWEEN

NAVIENT CORPORATION

AND

NEW BLC CORPORATION

DATED AS OF APRIL 29, 2014

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## TAX SHARING AGREEMENT

This TAX SHARING AGREEMENT, dated as of April 29, 2014 (this "Agreement"), is by and between Navient Corporation, a Delaware corporation ("Navient") and New BLC Corporation, a Delaware corporation ("SLM BankCo"). Unless otherwise defined in this Agreement, all capitalized terms used in this Agreement have the meanings set forth in the Separation and Distribution Agreement, dated as of April 28, 2014, by and among SLM Corporation, a Delaware corporation ("SLM"), SLM BankCo and Navient (as amended, modified or supplemented from time to time in accordance with its terms, the "Separation Agreement").

### RECITALS

WHEREAS, the Existing SLM Board has determined that it is in the best interests of Existing SLM and its shareholders to separate into two separate publicly-traded companies;

WHEREAS, in furtherance of the foregoing, the Existing SLM Board has determined that it is appropriate and desirable to undergo the Separation and Distribution;

WHEREAS, SLM, SLM BankCo and Navient have entered into the Separation Agreement; and

WHEREAS, the parties desire to provide for and agree upon the allocation between the parties of Taxes and Tax Benefits arising prior to, as a result of, and subsequent to the External Spin-Off, and provide for and agree upon other matters relating to Taxes.

NOW, THEREFORE, in consideration of the foregoing and the covenants and agreements set forth below, the parties hereto agree as follows:

### Article I

#### Definition of Terms

For purposes of this Agreement (including the recitals hereof), the following terms have the following meanings:

"2013 Engagement Letter" means the engagement letter between KPMG LLP and SLM (to be assigned by SLM to SLM BankCo in connection with the External Spin-Off), executed on March 12, 2014, pursuant to which SLM engages KPMG LLP to assist in preparing certain U.S. federal, state and local income, franchise and similar Tax Returns for taxable periods ending during 2013.

"2014 Accountant" has the meaning set forth in Section 3.1(f).

"2014 Engagement Letter" has the meaning set forth in Section 3.1(f).

"Affiliate" has the meaning set forth in the Separation Agreement.



“Agreement” has the meaning set forth in the preamble hereof.

“Ancillary Agreements” has the meaning set forth in the Separation Agreement.

“Applicable Date” has the meaning set forth in Section 4.2(a).

“Bank Loan Sales” means any sales or transfers on or prior to the Spin-Off Date of student loans by Sallie Mae Bank to (or treated as being made to, for U.S. federal income tax purposes) a Person that is a member of the Navient Group as of the Spin-Off Date (or any predecessor of such entity).

“Business Day” means any day other than a Saturday, a Sunday or a day on which commercial banking institutions in Delaware are authorized or obligated by law or executive order to be closed.

“Change of Control” has the meaning set forth in the Separation Agreement.

“Code” means the U.S. Internal Revenue Code of 1986, as amended from time to time, or any successor law.

“Consolidated Return” means (i) any Joint Return and (ii) any other Tax Return that reflects Consolidated Taxes.

“Consolidated Tax” means (i) any Tax, for any Tax Year, which is based on or determined by reference to Tax Items, operations, activities or assets of both the Navient Operations and the SLM BankCo Operations, and (ii) any Spin-Off Taxes.

“Consumer Banking Business” has the meaning set forth in the Ruling Request.

“Controlling Party” means, with respect to a Tax Contest, the party that controls such Tax Contest (or whose Group member controls such Tax Contest) pursuant to Section 7.2(a).

“Control” means, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through ownership of securities or partnership, membership, limited liability company, or other ownership interests, by contract or otherwise, and the terms “Controlling” and “Controlled” have meanings correlative to the foregoing.

“Dispute” has the meaning set forth in the Separation Agreement.

“Due Date” has the meaning set forth in Section 4.4.

“Education Loan Management Business” has the meaning set forth in the Ruling Request.

“Effective Time” means the time at which the External Spin-Off is effective on the Spin-Off Date.

“External Contribution” has the meaning set forth in the Ruling Request.

“External Spin-Off” has the meaning set forth in the Ruling Request.

“Governmental Entity” means any national, supranational, federal, state, provincial, local or similar government; any instrumentality or subdivision thereof; any court, administrative agency, department, board, bureau or commission thereof or other governmental authority or instrumentality; or any quasi-governmental or private body authorized to exercise any tax, governmental or quasi-governmental authority.

“Group” means the SLM BankCo Group or the Navient Group, as the context requires.

“Information” has the meaning set forth in the Separation Agreement.

“Internal Contribution” has the meaning set forth in the Ruling Request.

“Internal Controlled” has the meaning set forth in the Ruling Request.

“Internal Controlled Business” means the “Bank Private Education Loan Servicing Business” as defined in the Ruling Request.

“Internal Distributing” has the meaning set forth in the Ruling Request.

“Internal Distributing Business” means the “Loan Servicing Business” as defined in the Ruling Request.

“Internal Spin-Off” has the meaning set forth in the Ruling Request.

“IRS” means the Internal Revenue Service.

“Joint Return” means any Tax Return, for any Tax Year, that includes Tax Items, operations, activities or assets of both the SLM BankCo Operations and the Navient Operations, determined without regard to Tax Items carried forward to such Tax Year.

“Law” means any national, supranational, federal, state, provincial, local or similar law (including common law), statute, code, order, ordinance, rule, regulation, treaty (including any income tax treaty), license, permit, authorization, approval, consent, decree, injunction, binding judicial or administrative interpretation or other requirement, in each case, enacted, promulgated, issued or entered by a Governmental Entity.

“Navient” has the meaning set forth in the preamble hereof.

“Navient Business” means the “Pre-Separation Education Loan Management Business” as defined in the Separation Agreement.

“Navient Group” has the meaning set forth in the Separation Agreement.

“Navient Joint Return” has the meaning set forth in Section 3.1(a).

“Navient Net Obligation” with respect to any Consolidated Tax for any Tax Year (or portion thereof) as of any date, means the amount equal to (i) the Navient Tax Amount for such Consolidated Tax for such Tax Year (or portion thereof), plus (ii) the gross amount (without duplication of any amounts) remitted pursuant to this Agreement (or deemed to be remitted pursuant to Section 4.2(b) of this Agreement) to Navient by SLM BankCo on or prior to such date, or refunded to the Navient Group by the applicable Tax Authority after the Effective Time but on or prior to such date or refunded to the SLM group at or prior to the Effective Time (and not treated as refunded to the SLM BankCo Group under the Separate Return Method applied as of the Effective Time), for such Consolidated Tax for such Tax Year (or portion thereof), minus (iii) the gross amount (without duplication of any amounts) remitted pursuant to this Agreement (or deemed to be remitted pursuant to Section 4.2(b) of this Agreement) by Navient to SLM BankCo or the applicable Tax Authority for such Consolidated Tax for such Tax Year (or portion thereof) on or prior to such date.

“Navient Operations” means (i) with respect to any Tax Year (or portion thereof) that ends on or before the Spin-Off Date, the assets (other than any SLM BankCo Assets), business, operations and activities of the Navient Business, and (ii) with respect to any Tax Year (or portion thereof) that begins after the Spin-Off Date, the assets, business, operations and activities of the Navient Group.

“Navient Separate Return” has the meaning set forth in Section 3.2(b).

“Navient Separate Tax” means any Tax (other than any Spin-Off Tax), for any Tax Year, which (i) is based solely on or determined solely by reference to Tax Items, operations, activities or assets of the Navient Operations, and (ii) is not based on or determined by reference to any Tax Items, operations, activities or assets of the SLM BankCo Operations.

“Navient Tax Amount” with respect to any Consolidated Tax (whether or not the actual amount of such Tax is positive) for any Tax Year (or portion thereof), means the amount equal to (i) the actual amount of such Consolidated Tax for such Tax Year (or portion thereof) minus (ii) the SLM BankCo Tax Amount for such Tax Year (or portion thereof). For the avoidance of doubt, the Navient Tax Amount may be a negative number.

“Navient Tax Obligation” with respect to any Consolidated Tax (whether or not the actual amount of such Tax is positive) for any Tax Year (or portion thereof), means the greater of (i) zero and (ii) the Navient Tax Amount for such Tax for such Tax Year (or portion thereof).

“NOL” means net operating loss.

“Non-Controlling Party” means, with respect to a Tax Contest, the party that is not the Controlling Party with respect to such Tax Contest.

“Non-Preparer” means, with respect to a Tax Return, the party that is not responsible for the preparation of such Tax Return under Section 3.1 or Section 3.2.

“Non-Preparer Item” has the meaning set forth in Section 7.2(b).

“Payment Date” means (i) with respect to any U.S. federal income tax return, the due date for any required installment of estimated taxes determined under Code Section 6655, the due date (determined without regard to extensions) for filing the return determined under Code Section 6072, and the date the return is filed, and (ii) with respect to any other Tax Return, the corresponding dates determined under applicable Tax Law.

“Permitted Supplemental Ruling” means, with respect to a specified action, a Supplemental Ruling to the effect that such action will not preclude (i) the Reorganization from qualifying as a reorganization within the meaning of Section 368(a)(1)(F) of the Code, (ii) the Internal Contribution and the Internal Spin-Off from qualifying as tax-free transactions described under Sections 368(a)(1)(D) and 355 of the Code and (iii) the External Contribution and the External Spin-Off from qualifying as tax-free transactions described under Sections 368(a)(1)(D) and 355 of the Code (except, in the case of holders of SLM stock, with respect to cash received in lieu of fractional shares).

“Person” means any individual, corporation, company, partnership, trust, incorporated or unincorporated association, joint venture or other entity of any kind.

“Preparer” means, with respect to a Tax Return, the party that is responsible for the preparation of such Tax Return pursuant to Section 3.1 or Section 3.2.

“Prime Rate” has the meaning set forth in the Separation Agreement.

“Reorganization” has the meaning set forth in the Ruling Request.

“Requesting Party” has the meaning set forth in Section 5.2.

“Return Signer” has the meaning set forth in Section 3.1(a).

“Ruling” means the private letter ruling (if any) in connection with the Separation and Distribution issued by the IRS in response to the Ruling Request.

“Ruling Request” means (1) the request for ruling, dated August 21, 2013, filed on behalf of SLM with the IRS in connection with the Separation and Distribution, (2) the supplements to ruling request, dated November 27, 2013, March 25, 2014, and March 27, 2014, filed on behalf of SLM with the IRS in connection with the Separation and Distribution, (3) the document titled “Description of GLBA Issues and the Bank Regulatory Concept of Control,” dated March 17, 2014, and the accompanying exhibits, filed on behalf of SLM with the IRS in connection with the Separation and Distribution and (4) any other correspondence or supplemental materials submitted to the IRS in connection with the request to obtain a private letter ruling pursuant to the foregoing submissions.

“Sallie Mae Bank” means Sallie Mae Bank, a Utah industrial bank and insured depository institution.

“Section 108(i) Income” means any income that both (i) arose in connection with the reacquisition after December 31, 2008, and before January 1, 2011, of a debt instrument or a swap unwind related to such a reacquisition, and (ii) was deferred by the SLM consolidated group or any member thereof under Section 108(i) of the Code.

“Section 108(i) Installment Date” for the first, second, third or fourth quarter of a calendar year, means the due date by which SLM BankCo’s first, second, third or fourth installment, respectively, of estimated U.S. federal income taxes for such year is required to be paid; *provided* that if SLM BankCo is not a calendar-year taxpayer or is not required to pay estimated U.S. federal income taxes for any year, the Section 108(i) Installment Dates shall be determined as though SLM BankCo were a calendar-year taxpayer required to make estimated U.S. federal income tax payments for such year. For the avoidance of doubt, as of the date of this Agreement, the Section 108(i) Installment Date (i) for the first quarter of a calendar year is generally April 15 of such year, (ii) for the second quarter of a calendar year is generally June 15 of such year, (iii) for the third quarter of a calendar year is generally September 15 of such year, and (iv) for the fourth quarter of a calendar year is generally December 15 of such year, except in each case to the extent the applicable date falls on a Saturday, Sunday or legal holiday, in which case the Section 108(i) Installment Date is generally the next business day after such date.

“Section 108(i) Quarterly Amount” for any calendar quarter from and including second quarter 2014 through and including fourth quarter 2018, means the amount equal to the sum of (i) the Section 108(i) Quarterly Federal Amount for such quarter and (ii) one hundred thirty thousand five hundred dollars (\$130,500).

“Section 108(i) Quarterly Federal Amount” for any calendar quarter from and including second quarter 2014 through and including fourth quarter 2018, means the amount equal to (i) fourteen million seven hundred seventy-seven thousand seven hundred dollars (\$14,777,700), multiplied by (ii) the Section 108(i) Tax Factor for such quarter.

“Section 108(i) Tax Factor” for any calendar quarter means one (1); *provided* that, if the highest statutory marginal U.S. federal income tax rate applicable to ordinary income of a U.S. corporation is changed under applicable Law to a new rate after the date of this Agreement, and such new rate is applicable for the calendar year that includes such quarter, the Section 108(i) Tax Factor for such quarter shall be equal to (i) the highest statutory marginal U.S. federal income tax rate applicable to ordinary income of a U.S. corporation for the calendar year that includes such quarter (expressed as a percentage) divided by (ii) thirty-five percent (35%). For the avoidance of doubt, as of the date of this Agreement, the highest statutory marginal U.S. federal income tax rate applicable to ordinary income of a U.S. corporation (within the meaning of this definition) is thirty-five percent (35%).

“Separate Return” means any Tax Return that is not a Joint Return.

“Separate Return Method” means the principles and methodology used to calculate net taxes payable/receivable by the SLM BankCo Group for purposes of the audited carve-out financial statements of SLM BankCo and its subsidiaries for 2011 through 2014, as adjusted pursuant to Section 2.2 and the indemnification provisions of Article III. For purposes of applying the Separate Return Method under this Agreement, the Section 108(i) Quarterly Amounts shall not be treated as tax receivables or otherwise taken into account.

“Separation Agreement” has the meaning set forth in the preamble hereof.

“Separation Effective Time” means the “Effective Time” as defined in the Separation Agreement.

“SLM” has the meaning set forth in the preamble hereof.

“SLM BankCo” has the meaning set forth in the preamble hereof.

“SLM BankCo Business” means the “Pre-Separation Consumer Banking Business” as defined in the Separation Agreement.

“SLM BankCo Group” has the meaning set forth in the Separation Agreement.

“SLM BankCo Joint Return” has the meaning set forth in Section 3.1(a).

“SLM BankCo Net Obligation” with respect to any Consolidated Tax for any Tax Year (or portion thereof) as of any date, means the amount equal to (i) the SLM BankCo Tax Amount for such Consolidated Tax for such Tax Year (or portion thereof), plus (ii) the gross amount (without duplication of any amounts) remitted pursuant to this Agreement (or deemed to be remitted pursuant to Section 4.2(b) of this Agreement) to SLM BankCo by Navient on or prior to such date, or refunded to the SLM BankCo Group by the applicable Tax Authority after the Effective Time but on or prior to such date or treated as refunded to the SLM BankCo Group under the Separate Return Method applied as of the Effective Time, for such Consolidated Tax for such Tax Year (or portion thereof), minus (iii) the gross amount (without duplication of any amounts) remitted pursuant to this Agreement (or deemed to be remitted pursuant to Section 4.2(b) of this Agreement) by SLM BankCo to Navient or the applicable Tax Authority for such Consolidated Tax for such Tax Year (or portion thereof) on or prior to such date.

“SLM BankCo Operations” means (i) with respect to any Tax Year (or portion thereof) that ends on or before the Spin-Off Date, the assets (other than any Navient Assets), business, operations and activities of the SLM BankCo Business, and (ii) with respect to any Tax Year (or portion thereof) that begins after the Spin-Off Date, the assets, business, operations and activities of the SLM BankCo Group.

“SLM BankCo Separate Return” has the meaning set forth in Section 3.2(a).

“SLM BankCo Separate Tax” means any Tax (other than any Spin-Off Tax), for any Tax Year, which (i) is based solely on or determined solely by reference to Tax Items, operations, activities or assets of the SLM BankCo Operations, and (ii) is not based on or determined by reference to any Tax Items, operations, activities or assets of the Navient Operations.

“SLM BankCo Tax Amount” with respect to any Consolidated Tax (whether or not the actual amount of such Tax is positive) for any Tax Year (or portion thereof), means the amount of the net taxes payable/receivable of the SLM BankCo Group with respect to such Tax and Tax Year (or portion thereof) determined under the Separate Return Method (not taking into account any payments actually made or deemed to be made by the SLM group, Navient Group or

SLM BankCo Group with respect to such Tax). For the avoidance of doubt, the amount of the SLM BankCo Tax Amount with respect to a Consolidated Tax for a Tax Year may be negative if, for example, Tax Benefits allocable to SLM BankCo are used to reduce the amount of such Consolidated Tax for such Tax Year.

“SLM BankCo Tax Obligation” with respect to any Consolidated Tax (whether or not the actual amount of such Tax is positive) for any Tax Year (or portion thereof), means the greater of (i) zero and (ii) the SLM BankCo Tax Amount for such Tax for such Tax Year (or portion thereof).

“Spin-Off Date” means the date on which the External Spin-Off occurs.

“Spin-Off Tax Payment” means any payment (or portion thereof) required to be made by one party to the other party under this Agreement (including any indirect payment made under this Agreement by means of the first party satisfying a Tax liability imposed by applicable Tax Law on such other party without reimbursement by such other party) to the extent such payment arises as a result of an allocation of Spin-Off Taxes or Spin-Off Tax Items pursuant to Section 2.2(a)(i) or Section 2.2(a)(ii); provided that any additional amounts payable pursuant to Section 4.7 shall not be treated as Spin-Off Tax Payments.

“Spin-Off Taxes” means any Taxes of the SLM group, SLM BankCo Group or Navient Group or any of their respective members resulting from the Reorganization, Internal Contribution, External Contribution, Internal Spin-Off or External Spin-Off, or the contribution of all of the outstanding capital stock of Private ServiceCo to Sallie Mae Bank (pursuant to Section 2.1(q) of the Separation Agreement), excluding any Taxes resulting from any Bank Loan Sale.

“Spin-Off Tax Items” means any Tax Items of the SLM group, SLM BankCo Group or Navient Group or any of their respective members resulting from the Reorganization, Internal Contribution, External Contribution, Internal Spin-Off or External Spin-Off, or the contribution of all of the outstanding capital stock of Private ServiceCo to Sallie Mae Bank (pursuant to Section 2.1(q) of the Separation Agreement), excluding any gain, income or other Tax Item from any Bank Loan Sale.

“Subsidiary” has the meaning set forth in the Separation Agreement.

“Supplemental IRS Submissions” means any request for a Supplemental Ruling and each supplemental submission and other correspondence and supplemental materials submitted to the IRS in connection with obtaining any Supplemental Ruling.

“Supplemental Ruling” means any private letter ruling obtained by SLM, SLM BankCo or Navient from the IRS which supplements or otherwise modifies the Ruling.

“Supplemental Tax Opinion” means, with respect to a specified action, an opinion (other than the Tax Opinion) from Tax Counsel to the effect that such action will not preclude (i) the Reorganization from qualifying as a reorganization within the meaning of Section 368(a)(1)(F) of the Code, (ii) the Internal Contribution and the Internal Spin-Off from qualifying as tax-free transactions described under Sections 368(a)(1)(D) and 355 of the Code and (iii) the

External Contribution and the External Spin-Off from qualifying as tax-free transactions described under Sections 368(a)(1)(D) and 355 of the Code (except, in the case of holders of SLM stock, with respect to cash received in lieu of fractional shares). No opinion relied upon by Navient or SLM BankCo to satisfy the requirements of Section 8.2 or Section 8.3, respectively, shall be considered a “Supplemental Tax Opinion” unless such opinion is, in addition to the requirements above, reasonably satisfactory to SLM BankCo (in the case of an opinion provided under Section 8.2) or Navient (in the case of an opinion provided under Section 8.3), which opinion may rely upon a Supplemental Ruling and may rely upon, and may assume the accuracy of, any representations given in any Supplemental IRS Submission and any customary representations contained in an officer’s certificate delivered by an officer of SLM BankCo or Navient to Tax Counsel.

“Tax Event” has the meaning set forth in Section 4.2(a).

“Tax” or “Taxes” means all forms of taxation imposed by a Governmental Entity, whenever created or imposed, and whether of the United States or elsewhere, and whether imposed by a local, municipal, state, national, federal, or other body, and without limiting the generality of the foregoing, shall include income, sales, use, ad valorem, gross receipts, value added, franchise, transfer, recording, withholding, payroll, employment, excise, occupation, premium, and property taxes, together with any related interest, penalties, additions to tax or additional amounts imposed (in any case) by any Governmental Entity.

“Tax Authority” means, with respect to any Tax, the Governmental Entity or political subdivision, agency, commission or authority thereof that imposes such Tax or that is charged with the assessment, determination or collection of such Tax.

“Tax Benefit” means a Tax Item that generally decreases taxable income or Taxes payable of a taxpayer, including a credit, deductible loss or other deduction.

“Tax Contest” means an audit, review or examination by a Governmental Entity or Tax Authority, or any other administrative or judicial proceeding, with the purpose or effect of examining, determining or redetermining Taxes (including any administrative or judicial review of any claim for Tax refund).

“Tax Counsel” means (i) with respect to the Tax Opinion, Baker Botts L.L.P., and (ii) with respect to a Supplemental Tax Opinion obtained by SLM BankCo or Navient, a nationally recognized law firm or accounting firm designated by the party that obtains such opinion.

“Tax Item” means any item of income, gain, loss, deduction, credit or other attribute that may have the effect of increasing or decreasing taxable income or Taxes payable.

“Tax Law” means the Law, including any controlling judicial or administrative interpretations of such Law, relating to any Tax.

“Tax Materials” means (i) the Ruling, (ii) the Ruling Request and any other submission to the IRS in connection with the Ruling, (iii) the representation letter delivered to Tax Counsel in connection with the delivery of the Tax Opinion, (iv) any other materials delivered or deliverable by SLM, SLM BankCo, Navient or others in connection with the



rendering by Tax Counsel of the Tax Opinion or the issuance by the IRS of the Ruling (or the request therefor), and (v) with respect to a party that requests or receives a Supplemental Ruling, or delivers a representation letter or other materials in connection with a Supplemental Ruling or Supplemental Tax Opinion, such Supplemental Ruling, representation letter or other materials, as the case may be.

“Tax Opinion” means the opinion to be delivered by Tax Counsel on or prior to the Spin-Off Date relating to the tax treatment of the Reorganization, Internal Contribution, Internal Spin-Off, External Contribution and External Spin-Off under Sections 368 and 355 of the Code.

“Tax Records” means Tax Returns, Tax Return work papers, documentation relating to any Tax Contests, and any other books of account or records required to be maintained under applicable Tax Laws (including but not limited to Section 6001 of the Code) or under any record retention agreement with any Tax Authority.

“Tax Return” means any return, information return, report, declaration, election, questionnaire, notice, form, claim for refund or other document filed or required to be filed with any Governmental Entity or Tax Authority with respect to Taxes (whether or not a payment is required to be made with respect to such filing), and any supplement, amendment, appendix, exhibit, schedule or attachment thereto.

“Tax Year” means with respect to any Tax, the year, or other period, if applicable, for which the Tax is reported as provided under applicable Tax Law.

“Treasury Regulations” means the regulations promulgated from time to time under the Code as in effect for the relevant Tax Year.

## **Article II**

### **Allocation of Tax Liabilities and Tax Benefits**

Liability for and Payment of Taxes. Except as otherwise provided in this Agreement:

Navient Liabilities and Payments. Navient shall be liable for and pay (i) all Navient Separate Taxes and (ii) the amount of all Navient Tax Obligations with respect to Consolidated Taxes, in each case either to the applicable Tax Authority and/or to SLM BankCo in accordance with the mechanics of (and without duplication of payments under) Article IV, and (iii) the Section 108(i) Quarterly Amounts as required under Section 2.2(c).

SLM BankCo Liabilities and Payments. SLM BankCo shall be liable for and pay (i) all SLM BankCo Separate Taxes and (ii) the amount of all SLM BankCo Tax Obligations with respect to Consolidated Taxes, in each case either to the applicable Tax Authority and/or to Navient in accordance with the mechanics of (and without duplication of payments under) Article IV.

Special Rules for Certain Tax Items.

*(a) Spin-Off Taxes and Spin-Off Tax Items.*

(i) *Responsibility of SLM BankCo.* To the extent that the imposition of any Spin-Off Taxes (other than as a result of the recognition of any Spin-Off Tax Items) or the recognition of any Spin-Off Tax Items is directly attributable to SLM BankCo's breach of any covenant or negative covenant in Article VIII, such Spin-Off Taxes or Spin-Off Tax Items, as the case may be, shall be treated as Taxes or Tax Items of, and allocated to, the SLM BankCo Group for purposes of applying the Separate Return Method.

(ii) *Responsibility of Navient.* To the extent that the imposition of any Spin-Off Taxes (other than as a result of the recognition of any Spin-Off Tax Items) or the recognition of any Spin-Off Tax Items is directly attributable to Navient's breach of any covenant or negative covenant in Article VIII, such Spin-Off Taxes or Spin-Off Tax Items, as the case may be, shall be treated as Taxes or Tax Items of, and allocated to, the Navient Group (and not the SLM BankCo Group) for purposes of applying the Separate Return Method.

(iii) *Joint Responsibility.* To the extent any Spin-Off Tax (that is not attributable to a Spin-Off Tax Item) or any Spin-Off Tax Item is not allocated under Section 2.2(a)(i) or Section 2.2(a)(ii), (x) fifty percent (50%) of such Spin-Off Tax or Spin-Off Tax Item, as the case may be, shall be treated as a Tax or Tax Item of, and allocated to, the SLM BankCo Group for purposes of applying the Separate Return Method, and (y) fifty percent (50%) of such Spin-Off Tax or Spin-Off Tax Item, as the case may be, shall be treated as a Tax or Tax Item of, and allocated to, the Navient Group (and not the SLM BankCo Group) for purposes of applying the Separate Return Method.

Bank Loan Sales. Notwithstanding anything to the contrary in this Agreement, for all purposes of this Agreement (including, without limitation, for purposes of applying the Separate Return Method and determining whether a Tax Return is a Joint Return), any Tax Items resulting from a Bank Loan Sale shall be treated as Tax Items of, and allocated to, SLM BankCo.

Section 108(i) Income. To reimburse SLM BankCo for income Taxes that may be imposed on the Section 108(i) Income, for each calendar quarter from and including second quarter 2014 through and including fourth quarter 2018 (*i.e.*, a total of nineteen quarters), Navient shall pay to SLM BankCo an amount that, net of any payments for such quarter by SLM BankCo to Navient pursuant to this Section 2.2(c), is equal to the Section 108(i) Quarterly Amount for such quarter. Subject to the succeeding sentence, the due date for Navient to pay the Section 108(i) Quarterly Amount for an applicable quarter to SLM BankCo shall be the later of (i) three Business Days prior to the Section 108(i) Installment Date for such quarter and (ii) seven Business Days after SLM BankCo gives notice to Navient requesting such amount. If the Section 108(i) Quarterly Amount for a quarter increases or decreases due to a change in

applicable U.S. federal income tax rates, then (x) in the case of a decrease in the Section 108(i) Quarterly Amount for such quarter, SLM BankCo shall pay to Navient the excess (if any) of the net amount previously paid by Navient to SLM BankCo under this Section 2.2(c) for such quarter over the actual Section 108(i) Quarterly Amount for such quarter (revised to take into account such change in tax rates), within seven Business Days of the later of (1) the date that such change in tax rates is enacted and (2) the date that Navient gives notice to SLM BankCo requesting such amount, and (y) in the case of an increase in the Section 108(i) Quarterly Amount for such quarter, the due date for Navient to pay the amount of such increase to SLM BankCo shall be the later of (1) three Business Days prior to the Section 108(i) Installment Date for such quarter, (2) seven Business Days after the date that such change in tax rates is enacted, and (3) seven Business Days after the date that SLM BankCo gives notice to Navient requesting the amount of such increase. For the avoidance of doubt, if the Section 108(i) Tax Factor for all applicable quarters is always one (1), the aggregate amount required to be paid by Navient pursuant to this Section 2.2(c) is two hundred eighty-three million two hundred fifty-five thousand eight hundred dollars (\$283,255,800). Notwithstanding anything to the contrary in this Agreement, for all purposes of this Agreement (including, without limitation, for purposes of applying the Separate Return Method and determining whether a Tax Return is a Joint Return), all Section 108(i) Income shall be treated as income of, and allocated to, SLM BankCo.

### Article III

#### Preparation and Filing of Tax Returns

##### Section 3.1 Joint Returns.

(a) *Preparation and Filing.* Navient shall be responsible for preparing (or causing to be prepared) any Joint Return for a taxable year (or other applicable taxable period) ending on or before December 31, 2013 ("Navient Joint Returns"). SLM BankCo shall be responsible for (i) preparing (or causing to be prepared) any Joint Return for a taxable year (or other applicable taxable period) ending after December 31, 2013 (an "SLM BankCo Joint Return"), and (ii) calculating the amount of U.S. federal estimated income taxes that are Consolidated Taxes for any quarter after the first quarter of 2014. The party responsible for signing any such Joint Return (or whose Group member is responsible for signing such Joint Return) under applicable Law (the "Return Signer") shall sign (or cause to be signed) such Joint Return and file (or cause to be filed) such Joint Return with the applicable Tax Authority. For the avoidance of doubt, SLM BankCo shall be responsible for signing and filing the U.S. federal income tax return for the SLM consolidated group for the taxable year ending December 31, 2013 and the U.S. federal income tax return for the SLM/SLM BankCo consolidated group for the taxable year ending December 31, 2014.

(b) *Draft Joint Returns.* The Preparer of a Joint Return shall provide the Non-Preparer of such Joint Return with a substantially final draft of such Joint Return (other than a Joint Return filed prior to the Spin-Off Date) at least 10 Business Days prior to the due date for such Joint Return (or, if there is no due date for such Joint Return, as soon as reasonably practical). Such Non-Preparer shall promptly notify such Preparer of any objections that it may have to any items or elections set forth in any such draft Joint Return. Notwithstanding anything to the contrary in Section 3.3(a), (i) Navient and SLM BankCo shall work together to resolve in

good faith any such objection and to mutually consent to the filing of such Joint Return (and no such Joint Return will be filed without such mutual consent), and (ii) after the filing of any original Joint Return, Navient and SLM BankCo shall work together, at the request of the other party, to determine whether to file any amended Joint Return (and no amended Joint Return will be filed on or after the Spin-Off Date without the consent of both Navient and SLM BankCo). If the Preparer fails to provide such draft Joint Return within the time period provided in this Section 3.1(b) or fails to properly file such Joint Return within two Business Days following the resolution of all such objections, then notwithstanding any other provision of this Agreement, such Preparer shall be liable for, and shall indemnify and hold harmless each member of the Non-Preparer's Group from and against, any penalties, interest, or other payment obligation imposed by reason of any resulting delay in filing such return.

*(c) Provision of Information.* At the request of the Preparer of a Joint Return, the Non-Preparer of such Joint Return shall provide the Preparer with any information in its possession (or in the possession of any member of the Non-Preparer's Group) reasonably necessary for the Preparer to properly and timely prepare such Joint Return (including, without limitation, to the extent required, (i) the amount of taxable income of such Non-Preparer's Group for the period ending on the Spin-Off Date based on the closing of the books method, and (ii) the amount of taxable income recognized by such Non-Preparer's Group as a result of the External Spin-Off). Such Non-Preparer shall provide such information at least thirty days prior to the extended due date of such Joint Return or, if later, within fifteen Business Days of its receipt of such request. If such Non-Preparer (or any member of its Group) is in possession of information and fails to provide such information within the time period provided in this Section 3.1(c) or in the form reasonably requested by the Preparer to permit the timely filing of such Joint Return, then notwithstanding any other provision of this Agreement, such Non-Preparer shall be liable for, and shall indemnify and hold harmless each member of the Preparer's Group from and against, any penalties, interest, or other payment obligation imposed by reason of any resulting delay in filing such return.

*(d) Information with Respect to Estimated Payments and Extension Payments.* At the request of the Preparer of a Joint Return, the Non-Preparer of such Joint Return shall provide the Preparer with all information in its possession (or in the possession of any member of its Group) that the Preparer needs to determine the amount of Taxes due on any Payment Date with respect such Joint Return. Such Non-Preparer shall provide such information at least thirty days prior to such Payment Date or, if later, within fifteen Business Days of its receipt of such request. In the event that such Non-Preparer fails to provide information within the time period provided in this Section 3.1(d) or in the form reasonably requested by the Preparer to permit the timely payment of such Taxes, the indemnification principles of Section 3.1(c) shall apply with respect to any penalties, interest, or other payments imposed by reason of any resulting delay in paying such Taxes. The Preparer shall promptly inform the Non-Preparer of its determination of the amount of Taxes due on any Payment Date with respect to such Joint Return and the parties shall reasonably cooperate to finalize such determination.

*(e) Provision of Assistance with Respect to Joint Returns.* At the request of the Preparer of a Joint Return, the Non-Preparer of such Joint Return shall take (at its own cost and expense), and shall cause the members of its Group to take (at their own cost and expense), any reasonable action (*e.g.*, executing a power of attorney) that is reasonably necessary in order

for such Preparer or any other member of the Preparer's Group to prepare, file, amend or take any other action with respect to such Joint Return (to the extent the Preparer's Group is permitted to do so under this Agreement). In the event that such Non-Preparer fails to take, or cause to be taken, any such requested action, the indemnification principles of Section 3.1(c) shall apply with respect to any penalties, interest, or other payments imposed by reason of a failure to timely take any such requested action.

(f) *Engagement Letter for Certain 2014 Tax Returns.* SLM Bankco shall enter into an engagement letter (the "2014 Engagement Letter") with a third-party accounting firm (the "2014 Accountant") pursuant to which such accounting firm shall agree to assist in (i) preparing certain U.S. federal, state and local income, franchise and similar Tax Returns for taxable periods ending during 2014 and (ii) calculating U.S. federal estimated income taxes for the second, third and fourth quarters of 2014 and the 2014 extension payments. SLM Bankco shall provide a draft of the 2014 Engagement Letter to Navient before the execution thereof and Navient shall notify SLM Bankco of any objections that it may have thereto within 10 Business Days after the receipt thereof. Failure of Navient to so object shall be deemed to constitute Navient's written consent to execute such 2014 Engagement Letter. SLM Bankco and Navient shall work together in good faith to resolve any such objections, and the 2014 Engagement Letter shall not be executed without the prior written consent of Navient, such consent not to be unreasonably withheld or delayed.

(g) *Allocation of Third-Party Preparer Expenses.* Any fees, costs or expenses payable to KPMG LLP (or its affiliates) under the 2013 Engagement Letter that have not been paid prior to the Spin-Off Date shall be allocated between Navient and SLM BankCo in proportion to the number of entities for which KPMG LLP (or its affiliates) prepares a pro forma separate company return pursuant to the 2013 Engagement Letter that are in the Navient Group and the SLM BankCo Group, respectively. Any fees, costs or expenses payable to the 2014 Accountant (or its affiliates) under the 2014 Engagement Letter shall be allocated between Navient and SLM BankCo in proportion to the number of entities for which the 2014 Accountant (or its affiliates) prepares a pro forma separate company return pursuant to the 2014 Engagement Letter that are in the Navient Group and the SLM BankCo Group, respectively. SLM BankCo shall be responsible for remitting such fees, costs and expenses to KPMG LLP or the 2014 Accountant, as the case may be. Navient shall remit to SLM BankCo the portion of any such fees, costs or expenses that are allocated to Navient pursuant to this Section 3.1(g) by the date that is the later of (i) five Business Days after the date that SLM BankCo remits such fees, costs or expenses to KPMG LLP or the 2014 Accountant, as applicable, and (ii) seven Business Days after SLM BankCo gives Navient notice requesting such amount.

### Section 3.2 Separate Returns.

Separate Returns to be Prepared by SLM BankCo. SLM BankCo shall be responsible for preparing and filing (or causing to be prepared and filed) any Separate Return that includes Tax Items, operations, activities or assets of the SLM BankCo Operations, determined without regard to Tax Items carried forward to such Tax Year (an "SLM BankCo Separate Return").

Separate Returns to be Prepared by Navient. Navient shall be responsible for preparing and filing (or causing to be prepared and filed) any Separate Return that includes Tax Items, operations, activities or assets of the Navient Operations, determined without regard to Tax Items carried forward to such Tax Year (a "Navient Separate Return").

(a) *Provision of Information and Assistance.*

(i) *Provision of Information.* SLM BankCo shall provide to Navient, and Navient shall provide to SLM BankCo, any information in its possession (or in the possession of a member of its Group) requested by the other party that such party requesting such information reasonably needs to properly and timely file any Separate Returns pursuant to Section 3.2(a) or (b). Such information shall be provided within the time prescribed by Section 3.1(c) for the provision of information for Joint Returns. In the event that SLM BankCo or Navient fails to provide information within such time period or in the form reasonably requested by the other party to permit the timely filing of a Separate Return, the indemnification principles of Section 3.1(c) shall apply with respect to any penalties, interest, or other payments imposed against any member of the SLM BankCo Group or the Navient Group by reason of any resulting delay in filing such return.

(ii) *Assistance.* At the request of Navient, SLM BankCo shall take (at its own cost and expense), and shall cause the members of the SLM BankCo Group to take (at their own cost and expense), any reasonable action (*e.g.*, executing a power of attorney) that is reasonably necessary in order for Navient or any other member of the Navient Group to prepare, file, amend or take any other action with respect to a Navient Separate Return. At the request of SLM BankCo, Navient shall take (at its own cost and expense), and shall cause the members of the Navient Group to take (at their own cost and expense), any reasonable action (*e.g.*, executing a power of attorney) that is reasonably necessary in order for SLM BankCo or any other member of the SLM BankCo Group to prepare, file, amend or take any other action with respect to an SLM BankCo Separate Return. In the event that SLM BankCo or Navient, as the case may be, fails to take, or cause to be taken, any such requested action, the indemnification principles of Section 3.1(c) shall apply with respect to any penalties, interest, or other payments imposed against any member of either Group by reason of a failure to timely take any such requested action.

Section 3.3 *Additional Rules Relating to the Preparation of Tax Returns.*

General Rule. Except as otherwise provided in this Agreement (including, without limitation, under Section 3.3(b) and Section 3.3(c)), the party responsible for filing (or causing to be filed) a Tax Return pursuant to Section 3.2 shall have the exclusive right, in its sole discretion, with respect to such Tax Return to determine (i) the manner in which such Tax Return shall be prepared and filed, including the elections, methods of accounting, positions, conventions and principles of taxation to be used and the manner in which any Tax Item shall be reported, (ii) whether any extensions may be requested, (iii) whether an amended Tax Return shall be filed, (iv) whether any claims for refund shall be made, (v) whether any refunds shall be paid by way of refund or credited against any liability for the related Tax, and (vi) whether to retain outside firms to prepare or review such Tax Return.

Navient Separate Returns. With respect to any Navient Separate Return:

(i) Navient may not take (and shall cause the members of the Navient Group not to take) any positions that it knows, or reasonably should know, would adversely affect any member of the SLM BankCo Group, without the prior written consent of SLM BankCo, except to the extent taking such position is consistent with the past practice of the SLM group or is required by applicable Law; and

(ii) Navient and other members of the Navient Group must allocate Tax Items between such Navient Separate Return and any related Joint Return in a manner that is consistent with the reporting of such Tax Items on the related Joint Return.

SLM BankCo Separate Returns. With respect to any SLM BankCo Separate Return, SLM BankCo may not take (and shall cause the members of the SLM BankCo Group not to take) any positions that it knows, or reasonably should know, would adversely affect any member of the Navient Group, without the prior written consent of Navient, except to the extent taking such position is consistent with the past practice of the SLM group or is required by applicable Law.

Election to File Consolidated, Combined or Unitary Tax Returns. Navient and SLM BankCo shall cooperate to determine whether to file (or cause to be filed) any Tax Return on a consolidated, combined or unitary basis if such Tax Return would include at least one member of each Group and the filing of such Tax Return on such basis is elective under the relevant Tax Law.

Standard of Performance. Navient and SLM BankCo shall prepare Navient Joint Returns and SLM BankCo Joint Returns, respectively, with the same general degree of care as they use in preparing Separate Returns. Notwithstanding the preceding sentence, neither Navient nor SLM BankCo shall be liable for any additional Taxes for which the other is otherwise liable under Article II that result from a redetermination in a Tax Contest, regardless of whether such Taxes arise as a result of Navient's or SLM BankCo's failure to exercise such degree of care.

Reliance on Exchanged Information. If a member of the Navient Group supplies information to a member of the SLM BankCo Group, or a member of the SLM BankCo Group supplies information to a member of the Navient Group, in connection with the preparation of a Tax Return and an officer of the requesting member intends to sign a statement or other document under penalties of perjury in reliance upon the accuracy of such information, then a duly authorized officer of the member supplying such information shall certify (upon the request of such other member), to such officer's knowledge and belief, the accuracy and completeness of the information so supplied.

Allocation of Tax Items. Navient and SLM BankCo shall cooperate to determine the allocation of any applicable Tax Items and Tax attributes (*e.g.*, NOLs, Tax credits and earnings and profits) as of the Effective Time, in accordance with applicable Tax Laws, among SLM BankCo, each other SLM BankCo Group member, Navient, and each other Navient Group member. SLM BankCo and Navient hereby agree that each such Tax Item shall be allocated in a manner consistent with allocations under the Separate Return Method to the extent permitted under applicable Law.

## Article IV

### Tax Payments

Payment of Taxes to Tax Authority. SLM BankCo shall be responsible for remitting to the proper Tax Authority the Tax shown on any Joint Return for which a member of the SLM BankCo Group is the Return Signer or any SLM BankCo Separate Return (including Taxes for which Navient is wholly or partially liable pursuant to Article II) and any estimated Taxes required to be paid with respect thereto, to the extent such amounts have not been remitted prior to the Spin-Off Date, and Navient shall be responsible for remitting to the proper Tax Authority the Tax shown on any Joint Return for which a member of the Navient Group is the Return Signer or any Navient Separate Return (including Taxes for which SLM BankCo is wholly or partially liable pursuant to Article II) and any estimated Taxes required to be paid with respect thereto, to the extent such amounts have not been remitted prior to the Spin-Off Date. For the avoidance of doubt, SLM BankCo shall be responsible for remitting to the U.S. government U.S. federal estimated income Taxes for the SLM consolidated group and the SLM BankCo consolidated group, as applicable, for each quarter in 2014 (to the extent such amounts have not been remitted prior to the Spin-Off Date).

#### Section 4.1 *Indemnification Payments.*

Tax Payments. In connection with any payment of, or any filing of a Consolidated Return with respect to, any Consolidated Tax for any Tax Year (or portion thereof) (a "Tax Event") on a date on or after the Spin-Off Date (the "Applicable Date"), the parties shall cooperate to determine the amount of the Navient Tax Amount and SLM BankCo Tax Amount with respect to such Consolidated Tax for such Tax Year (or portion thereof) as of the Applicable Date. If Navient is responsible for remitting such Consolidated Tax to, or filing (or causing to be filed) such Consolidated Return with, the applicable Tax Authority pursuant to Article III or Section 4.1, as applicable, Navient shall notify SLM BankCo prior to making such payment or filing, and (i) if the SLM BankCo Net Obligation with respect to such Consolidated Tax for such Tax Year (or portion thereof) is or will be positive as of the Applicable Date (not taking into account any payment made pursuant to this sentence with respect to such Tax Event), SLM BankCo shall remit to Navient the amount of such SLM BankCo Net Obligation, and (ii) if the SLM BankCo Net Obligation with respect to such Consolidated Tax for such Tax Year (or portion thereof) is or will be negative as of the Applicable Date (not taking into account any payment made pursuant to this sentence with respect to such Tax Event), Navient shall remit to SLM BankCo an amount equal to the absolute value of such SLM BankCo Net Obligation, in each case by the date that is the later of (x) three Business Days prior to the date that Navient remits such Tax payment to such Tax Authority or files such Consolidated Return, as applicable and (y) seven Business Days after the party entitled to payment gives notice to the other party requesting such amount. If SLM BankCo is responsible for remitting such Consolidated Tax to, or filing (or causing to be filed) such Consolidated Return with, the applicable Tax Authority pursuant to Article III or Section 4.1, as applicable, SLM BankCo shall notify Navient prior to making such payment or filing, and (i) if the Navient Net Obligation with respect to such Consolidated Tax for such Tax Year (or portion thereof) is or will be positive as of the Applicable Date (not taking into account any payment made pursuant to this sentence with respect to such Tax Event), Navient shall remit to SLM BankCo the amount of such Navient Net Obligation, and (ii) if the Navient Net



Obligation is or will be negative as of the Applicable Date (not taking into account any payment made pursuant to this sentence with respect to such Tax Event), SLM BankCo shall remit to Navient an amount equal to the absolute value of such Navient Tax Obligation, in each case by the date that is the later of (x) three Business Days prior to the date that SLM BankCo remits such Tax payment to such Tax Authority or files such Consolidated Return, as applicable and (y) seven Business Days after the party entitled to payment gives notice to the other party requesting such amount.

Credit for Prior Tax Payments. SLM BankCo shall be deemed to have paid any amount related to Taxes as of the Effective Time to the extent the SLM BankCo Group is treated as having paid such amount under the Separate Return Method applied as of the Effective Time. Any such amount treated as paid by SLM BankCo shall be treated as having been paid to either Navient or the applicable Tax Authority, as applicable, for purposes of this Agreement. Navient shall be deemed to have paid any applicable amount related to Taxes as of the Effective Time to the extent that such amount was actually paid to the applicable Tax Authority as of the Effective Time or (without duplication) treated as paid under the Separate Return Method as of the Effective Time and the SLM BankCo Group is not treated as having paid such amount under the Separate Return Method applied as of the Effective Time. Any such amount treated as paid by Navient shall be treated as having been paid to either SLM BankCo or the applicable Tax Authority, as applicable, for purposes of this Agreement.

**Initial Determinations and Subsequent Adjustments.** The initial determination of the amount of any payment that one party is required to make to another under this Agreement shall be made on the basis of the Tax Return as filed or, if the Tax to which the payment relates is not reported on a Tax Return, on the basis of the amount of Tax initially paid to the Tax Authority. The amounts paid under this Agreement will be redetermined, and additional payments relating to such redetermination will be made, as appropriate, if as a result of an audit by a Tax Authority or an amended Tax Return or for any other reason (w) additional Taxes are subsequently paid or required to be paid, (x) a refund of such Taxes is received, (y) the party using a Tax Benefit changes by reason of a Tax Contest or the filing of an amended Tax Return, or (z) the amount or character of any Tax Item is adjusted or redetermined by reason of a Tax Contest or the filing of an amended Tax Return. Each payment required by the immediately preceding sentence (i) as a result of a payment of additional Taxes will be due thirty days after the date on which the additional Taxes were paid or, if later, fifteen days after the party that made such payment of additional Taxes gives notice to the other party requesting reimbursement, (ii) as a result of the receipt of a refund will be due thirty days after the refund was received, (iii) as a result of a change in use of a Tax Benefit (to which clauses (i) and (ii) do not apply) by reason of a Tax Contest or the filing of an amended Tax Return will be due thirty days after the date on which the final action resulting in such change is taken by a Tax Authority or either party or any of their Subsidiaries, or (iv) as a result of an adjustment or redetermination of the amount or character of a Tax Item (to which clauses (i) and (ii) do not apply) by reason of a Tax Contest or the filing of an amended Tax Return will be due thirty days after the date on which the final action resulting in such adjustment or redetermination is taken by a Tax Authority or either party or any of their Subsidiaries. If a payment is made as a result of an audit by a Tax Authority which does not conclude the matter, further adjusting payments will be made, as appropriate, to reflect the outcome of subsequent administrative or judicial proceedings.

**Interest on Late Payments.** Payments pursuant to this Agreement that are not made by the date prescribed in this Agreement or, if no such date is prescribed, within fifteen days after written demand for payment is made (the "Due Date") shall bear interest for the period from and including the date immediately following the Due Date through and including the date of payment at a per annum rate equal to the Prime Rate on the Due Date (or, if the Due Date is not a Business Day, as of 11:00 a.m. New York, NY time on the first Business Day following the Due Date) plus 2%, subject to any maximum amount permitted by applicable Law. Such rate shall be redetermined at the beginning of each calendar quarter following such Due Date. Such interest will be payable at the same time as the payment to which it relates and shall be calculated on the basis of a year of 365 days and the actual number of days for which due.

**Payments by or to Other Group Members.** When appropriate under the circumstances to reflect the underlying liability for a Tax or entitlement to a Tax refund or Tax Benefit, a payment which is required to be made by or to SLM BankCo or Navient under this Agreement may be made by or to another member of the SLM BankCo Group or the Navient Group, as appropriate, but nothing in this Section 4.5 shall relieve SLM BankCo or Navient of its obligations under this Agreement.

**Procedural Matters.** Any notice requesting payment delivered to the indemnifying party in accordance with Section 9.5 shall show the amount due and owing together with a schedule calculating in reasonable detail such amount (and shall include any relevant Tax Return, pro forma Tax Return, statement, bill or invoice related to such Taxes, costs, expenses or other amounts due and

owing). Payments shall be deemed made when received. If the indemnifying party fails to make a payment to the indemnified party within the time period set forth in this Article IV, the indemnifying party shall pay to the indemnified party, in addition to interest that accrues pursuant to Section 4.4, any costs or expenses incurred by the indemnified party to secure such payment or to satisfy the indemnifying party's portion of the obligation giving rise to the indemnification payment.

**Tax Consequences of Payments; Tax Gross-Up.** For all Tax purposes, to the extent permitted by applicable Tax Law, the parties will treat any payment made pursuant to this Agreement as a capital contribution made by SLM BankCo to Navient or as a distribution made by Navient to SLM BankCo, as the case may be, on the date recited above on which the parties entered into the Agreement. If any Spin-Off Tax Payment (or portion thereof) directly or indirectly causes an increase in Taxes for which the payee would otherwise be liable under Article II, the payer of such Spin-Off Tax Payment shall be required to pay the payee (either by means of direct payment or by means of offset against amounts otherwise due under this Agreement from such payee to such payer) an additional amount, such that the amount of any Taxes for which the payee is liable under Article II that result from either such Spin-Off Tax Payment or from the payment of such additional amount is equal to such additional amount. Except to the extent described in the preceding sentence of this Section 4.7, under no circumstances shall any payment (or portion thereof) made pursuant to this Agreement be grossed up to take into account any additional Taxes that may be owed by the payee (or any of the members of its Group) as a result of such payment. In the event that a Tax Authority asserts that the treatment of a payment pursuant to this Agreement should be other than as determined pursuant to this Section 4.7, SLM BankCo or Navient, as appropriate, shall use its reasonable best efforts to contest such assertion. Section 4.4(c) of the Separation Agreement shall not apply to payments made pursuant to this Agreement.

## **Article V**

### **Assistance and Cooperation**

**Cooperation.** In addition to the obligations enumerated in Section 3.1(c), Section 3.1(e), Section 3.2(c) and Section 7.3, SLM BankCo and Navient will cooperate (and will cause their respective Groups to cooperate) with each other and with each other's agents, including accounting firms and legal counsel, in connection with Tax matters upon the reasonable request of the other party. Such cooperation will include Navient or SLM BankCo, as the case may be, (x) providing documents and information in its possession (or in the possession of another member of its Group) as reasonably requested, and (y) making available to the other, as reasonably requested and available, personnel (including officers, directors, employees and agents of either Group) responsible for preparing, maintaining, and interpreting information and documents relevant to Taxes and personnel reasonably required as witnesses or for purposes of providing information or documents in connection with any administrative or judicial proceedings relating to Taxes.

**Supplemental Rulings and Supplemental Tax Opinions.** Each of the parties agrees that, at the reasonable request of the other party (the "Requesting Party"), such party shall (and shall cause each member of its Group to) (i) cooperate and use reasonable efforts to seek to obtain, as expeditiously as reasonably practicable, a Supplemental Ruling from the IRS or (ii) cooperate

and use reasonable efforts to assist the Requesting Party in obtaining, as expeditiously as reasonably practicable, a Supplemental Tax Opinion from Tax Counsel. Within thirty days after receiving an invoice from the other party therefor, the Requesting Party shall reimburse such other party for all reasonable out-of-pocket costs and expenses incurred by such other party and the members of such other party's Group in connection with obtaining or requesting a Supplemental Ruling or in connection with assisting the Requesting Party in obtaining a Supplemental Tax Opinion. Notwithstanding the foregoing, a party shall not be required to file any Supplemental IRS Submission at the request of the Requesting Party unless the Requesting Party represents to such other party that (x) the Requesting Party has reviewed the Supplemental IRS Submission and (y) all information and representations, if any, relating to any member of the Requesting Party's Group contained in the Supplemental IRS Submissions are true, correct and complete in all material respects.

## **Article VI**

### **Tax Records**

**Retention of Tax Records.** Each of SLM BankCo and Navient shall preserve, and shall cause the members of their respective Groups to preserve, all Tax Records that are in their possession and that could reasonably be expected to affect the liability of any member of the other Group for Taxes, for as long as the contents thereof may become material in the administration of any matter under applicable Tax Law, but in any event until the later of (x) the expiration of any applicable statutes of limitation, as extended, and (y) seven years after the Spin-Off Date.

**Access to Tax Records.** Navient shall make available, and cause the members of the Navient Group to make available, to SLM BankCo for inspection and copying (x) all Tax Records in their possession at the time of any written request therefor that relate to Tax Years (or portions thereof) that end on or before the Spin-Off Date, and (y) the portion of any Tax Record in their possession at the time of any written request therefor that relates to Tax Years (or portions thereof) that end after the Spin-Off Date and that is reasonably necessary to have for the preparation of a Joint Return or an SLM BankCo Separate Return or in connection with a Tax Contest relating to such return. SLM BankCo shall make available, and cause the members of the SLM BankCo Group to make available, to Navient for inspection and copying (x) all Tax Records in their possession at the time of any written request therefor that relate to Tax Years (or portions thereof) that end on or before the Spin-Off Date, and (y) the portion of any Tax Record in their possession at the time of any written request therefor that relates to Tax Years (or portions thereof) that end after the Spin-Off Date and that is reasonably necessary to have for the preparation of a Joint Return or a Navient Separate Return or in connection with a Tax Contest relating to such return.

**Confidentiality.** The provisions of Sections 6.9 and 6.10 of the Separation Agreement shall apply with respect to any Information provided pursuant to this Agreement; provided that either party may disclose, or may permit disclosure of, Information to the extent necessary in connection with the filing of Tax Returns or any administrative or judicial proceedings relating to Taxes.

## Article VII

### Tax Contests

Notices. Each party shall provide prompt notice to the other party of any pending or threatened Tax audit, assessment or proceeding or other Tax Contest of which it becomes aware relating to (i) Taxes for which it is or may be indemnified by the other party hereunder, (ii) the qualification of the Reorganization as a tax-free transaction described under Section 368(a)(1)(F) of the Code, (iii) the qualification of the Internal Contribution and the Internal Spin-Off as tax-free transactions described under Sections 368(a)(1)(D) and 355 of the Code, or (iv) the qualification of the External Contribution and the External Spin-Off as tax-free transactions described under Sections 368(a)(1)(D) and 355 of the Code. Such notice shall contain factual information (to the extent known) describing any asserted Tax liability in reasonable detail and shall be accompanied by copies of any notice and other documents (or applicable portions thereof) received from any Tax Authority in respect of any such matters. If (i) an indemnified party has knowledge of an asserted Tax liability with respect to a matter for which it is to be indemnified hereunder, (ii) such party fails to give the indemnifying party prompt notice of such asserted Tax liability, and (iii) the indemnifying party has the right, pursuant to Section 7.2(a), to control the Tax Contest relating to such Tax liability, then (x) if the indemnifying party is precluded from contesting the asserted Tax liability as a result of such failure to give prompt notice, the indemnifying party shall have no obligation to indemnify the indemnified party for any Taxes arising out of such asserted Tax liability, and (y) if the indemnifying party is not precluded from contesting the asserted Tax liability, but such failure to give prompt notice results in a monetary detriment to the indemnifying party, then any amount which the indemnifying party is otherwise required to pay the indemnified party pursuant to this Agreement shall be reduced by the amount of such detriment.

#### Section 7.1 *Control of Tax Contests.*

General Rule. Except as provided in Section 7.2(b), (i) SLM BankCo shall have full responsibility, control and discretion in handling, settling or contesting any Tax Contest involving a Tax reported on a Joint Return (or which a Tax Authority asserts should have been reported on a Joint Return), and (ii) each party (or the appropriate member of its Group) shall have full responsibility, control and discretion in handling, settling or contesting any Tax Contest involving a Tax reported on a Separate Return of such party (or which a Tax Authority asserts should have been reported on a Separate Return).

#### *(a) Participation and Settlement Rights.*

(i) With respect to a Tax Contest which involves a Tax liability for which the Non-Controlling Party may be liable, or a Tax Benefit to which the Non-Controlling Party may be entitled, in whole or in part under this Agreement (in any case, a "Non-Preparer Item," which, to the extent Navient is the Non-Controlling Party, shall be deemed to include any Spin-Off Taxes and Spin-Off Tax Items and any issues related to the tax-free treatment of the Reorganization, Internal Contribution, External Contribution, Internal Spin-Off or External Spin-Off), subject to Section 7.2(b)(ii), (1) the Non-Controlling Party shall be entitled to participate, at its own cost and expense, in such Tax Contest to the extent it relates to a Non-Preparer Item, (2)

the Controlling Party shall keep the Non-Controlling Party reasonably informed and consult seriously and in good faith with the Non-Controlling Party and its Tax advisors with respect to any issue in such Tax Contest relating to a Non-Preparer Item, (3) the Controlling Party shall provide the Non-Controlling Party with copies of all correspondence, notices, and other written materials received from any Tax Authority and shall otherwise keep the Non-Controlling Party and its Tax advisors advised of significant developments in the Tax Contest and of significant communications involving representatives of the Tax Authority, to the extent (in any case) related to a Non-Preparer Item, (4) the Non-Controlling Party may request that the Controlling Party take a position related to a Non-Preparer Item in respect of such Tax Contest, and the Controlling Party shall do so provided that (A) there exists substantial authority for such position (within the meaning of the accuracy-related penalty provisions of Section 6662 of the Code) and (B) the adoption of such position could not reasonably be expected to increase the Taxes or reduce the Tax Benefits allocated to the Controlling Party pursuant to Article II of this Agreement (unless the Non-Controlling Party agrees to indemnify and hold harmless the Controlling Party from such increase in Taxes or reduction in Tax Benefits), (5) the Controlling Party shall provide the Non-Controlling Party with a copy of any written submission to be sent to a Tax Authority to the extent related to a Non-Preparer Item prior to the submission thereof and shall give serious and good faith consideration to any comments or suggested revisions that the Non-Controlling Party or its Tax advisors may have with respect thereto, and (6) there will be no settlement, resolution (within the control of the Controlling Party or any member of the Controlling Party's Group), or closing or other agreement with respect to any issue related to a Non-Preparer Item without the consent of the Non-Controlling Party, which consent shall not be unreasonably withheld or delayed.

(ii) Notwithstanding anything to the contrary in this Agreement, if Navient and SLM BankCo cannot agree as to how to proceed (*e.g.*, whether to propose or accept a settlement offer, file a protest or petition, etc.) with respect to a Tax Item or issue in a Tax Contest involving Consolidated Taxes after consulting with each other on such matter in good faith, the party with the most Taxes at risk with respect to such Tax Item or issue in such Tax Contest shall be entitled to decide how to proceed with respect to such Tax Item or issue, and the other party shall comply and reasonably cooperate with such decision (including by signing a power of attorney with respect to such issue, to the extent necessary). For purposes of this Section 7.2(b)(ii), the party with the most Taxes at risk with respect to a Tax Item or issue shall be the party whose liability for Taxes under this Agreement would increase the most (in terms of absolute dollar amount) if the position of the applicable Governmental Entity with respect to such Tax Item or issue were upheld in full (treating a loss of any claimed refund as an increase in Tax liability).

Cooperation. The Non-Controlling Party shall promptly provide the Controlling Party with all documents and information in its possession (or in the possession of its Group) which the Controlling Party reasonably needs to handle, settle or contest the Tax Contest (including copies of all correspondence, notices, and other written materials with respect to such Tax Contest sent by a Tax Authority to the Non-Controlling Party (or a member of its Group) but not to any member of the Controlling Party's Group). Subject to Section 7.2(b), at the reasonable request of the Controlling Party, the Non-Controlling Party shall take any action (*e.g.*, executing a power of attorney) that is reasonably necessary in order for the Controlling Party to handle, settle or contest the Tax Contest. The Controlling Party shall reimburse the Non-Controlling Party for

any reasonable out-of-pocket costs and expenses incurred in complying with the first two sentences of this Section 7.3. The Controlling Party shall have no obligation to indemnify the Non-Controlling Party for any additional Taxes resulting from the Tax Contest if such Non-Controlling Party fails to reasonably cooperate in accordance with the first two sentences of Section 7.3.

## Article VIII

### Restriction on Certain Actions of SLM BankCo and Navient

**General Restrictions.** Navient and SLM BankCo shall not (and shall cause the members of their respective Groups to not) take any action or fail to take any action if such action or failure to take action, as the case may be, would (i) be inconsistent with the Reorganization qualifying, or preclude the Reorganization from qualifying, as a tax-free transaction described under Section 368(a)(1)(F) of the Code, (ii) be inconsistent with the Internal Contribution and Internal Spin-Off qualifying, or preclude the Internal Contribution and Internal Spin-Off from qualifying, as tax-free transactions described under Sections 368(a)(1)(D) and 355 of the Code, (iii) be inconsistent with the External Contribution and External Spin-Off qualifying, or preclude the External Contribution and External Spin-Off from qualifying, as tax-free transactions (except with respect to cash received in lieu of fractional shares) described under Sections 368(a)(1)(D) and 355 of the Code, or (iv) be reasonably likely to be inconsistent with, or cause any Person to be in breach of, any representation, covenant or material statement made in the Tax Materials.

**Certain Navient Actions Following the Effective Time.** Without limiting the other provisions of this Article VIII, during the two-year period following the Effective Time, Navient shall not take (and shall cause the members of the Navient Group to not take), and shall not negotiate or enter into (and shall cause the members of the Navient Group to not negotiate or enter into) a binding agreement to take, any of the following actions: (i) liquidate, sell all or substantially all of its assets or sell or transfer fifty percent (50%) or more of (1) the assets that constitute the Education Loan Management Business as of the Effective Time to any Person other than Navient or an entity which is and will be wholly-owned, directly or indirectly, by Navient or (2) the assets that constitute the Internal Distributing Business as of the Effective Time to any Person other than Internal Distributing or an entity which is and will be wholly-owned, directly or indirectly, by Internal Distributing, (ii) issue stock of Navient or any Navient Affiliate (or any instrument that is convertible or exchangeable into any such stock), other than an issuance to which Treasury Regulations Section 1.355-7(d)(8) or (9) applies, equal to or exceeding twenty-five percent (25%) (by vote or value) of the stock of Navient or of such Navient Affiliate that was issued and outstanding immediately following the Effective Time, (iii) facilitate or otherwise participate in any acquisition (or deemed acquisition) or other transfer of stock of Navient or Internal Distributing that would result in (1) any shareholder owning (or being deemed to own after applying the rules of Sections 355(e)(4)(C) and 355(e)(3)(B) of the Code) forty percent (40%) or more (by vote or value) of the outstanding stock of Navient or (2) any shareholder other than Navient owning (or being deemed to own after applying the rules of Sections 355(e)(4)(C) and 355(e)(3)(B) of the Code) forty percent (40%) or more (by vote or value) of the outstanding stock of Internal Distributing, (iv) redeem or otherwise repurchase any stock of Navient other than pursuant to open market stock repurchase programs meeting the requirements of Section 4.05(1)(b) of Rev. Proc. 96-30, 1996-1 C.B. 696, or (v) terminate the active conduct by the

Navient Group of the Education Loan Management Business or the Internal Distributing Business, in each case, without first obtaining and delivering to SLM BankCo at Navient's own expense a Supplemental Tax Opinion or Permitted Supplemental Ruling reasonably satisfactory to SLM BankCo with respect to such action.

Certain SLM BankCo Actions Following the Effective Time. Without limiting the other provisions of this Article VIII, during the two-year period following the Effective Time, SLM BankCo shall not take (and shall cause the members of the SLM BankCo Group to not take), and shall not negotiate or enter into (and shall cause the members of the SLM BankCo Group to not negotiate or enter into) a binding agreement to take, any of the following actions: (i) liquidate, sell all or substantially all of its assets or sell or transfer fifty percent (50%) or more of (1) the assets that constitute the Consumer Banking Business as of the Effective Time to any Person other than SLM BankCo or an entity which is and will be wholly-owned, directly or indirectly, by SLM BankCo or (2) the assets that constitute the Internal Controlled Business as of the Effective Time to any Person other than Internal Controlled or an entity which is and will be wholly-owned, directly or indirectly, by Internal Controlled, (ii) issue stock of SLM BankCo or any SLM BankCo Affiliate (or any instrument that is convertible or exchangeable into any such stock), other than an issuance to which Treasury Regulations Section 1.355-7(d)(8) or (9) applies, equal to or exceeding twenty-five percent (25%) (by vote or value) of the stock of SLM BankCo or of such SLM BankCo Affiliate that was issued and outstanding immediately following the Effective Time, (iii) facilitate or otherwise participate in any acquisition (or deemed acquisition) or other transfer of stock of SLM BankCo or Internal Controlled that would result in (1) any shareholder owning (or being deemed to own after applying the rules of Sections 355(e)(4)(C) and 355(e)(3)(B) of the Code) forty percent (40%) or more (by vote or value) of the outstanding stock of SLM BankCo or (2) any shareholder other than SLM BankCo owning (or being deemed to own after applying the rules of Sections 355(e)(4)(C) and 355(e)(3)(B) of the Code) forty percent (40%) or more (by vote or value) of the outstanding stock of Internal Controlled, (iv) redeem or otherwise repurchase any stock of SLM BankCo other than pursuant to open market stock repurchase programs meeting the requirements of Section 4.05(1)(b) of Rev. Proc. 96-30, 1996-1 C.B. 696, or (v) terminate the active conduct by the SLM BankCo Group of the Consumer Banking Business or the Internal Controlled Business, in each case, without first obtaining and delivering to Navient at SLM BankCo's own expense a Supplemental Tax Opinion or Permitted Supplemental Ruling reasonably satisfactory to Navient with respect to such action.

## **Article IX**

### **General Provisions**

#### **Section 9.1 *Counterparts; Corporate Power.***

(a) This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement, and shall become effective when one or more counterparts have been signed by each of the parties and delivered to the other parties.

(b) SLM BankCo represents on behalf of itself, and Navient represents on behalf of itself, as follows:

(i) it has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement to which it is a party and to consummate the transactions contemplated hereby; and

(ii) this Agreement has been duly executed and delivered by it and constitutes a valid and binding agreement of it enforceable in accordance with the terms hereof.



(c) Each party acknowledges that it and the other party may execute this Agreement by facsimile, stamp or mechanical signature. Each party expressly adopts and confirms each such facsimile, stamp or mechanical signature made in its respective name as if it were a manual signature, agrees that it will not assert that any such signature is not adequate to bind such party to the same extent as if it were signed manually and agrees that at the reasonable request of the other party at any time it will as promptly as reasonably practicable cause this Agreement to be manually executed (any such execution to be as of the date of the initial date thereof).

(d) Notwithstanding any provision of this Agreement, neither SLM BankCo nor Navient shall be required to take or omit to take any act that would violate its fiduciary duties to any minority shareholders of any non-wholly owned Subsidiary of SLM BankCo or Navient, as the case may be (it being understood that directors' qualifying shares or similar interests will be disregarded for purposes of determining whether a Subsidiary is wholly owned).

**Governing Law.** This Agreement (and any claims or disputes arising out of or related hereto or to the transactions contemplated hereby or to the inducement of any party to enter herein, whether for breach of contract, tortious conduct or otherwise and whether predicated on common law, statute or otherwise) shall be governed by and construed and interpreted in accordance with the Laws of the State of Delaware irrespective of the choice of laws principles of the State of Delaware including all matters of validity, construction, effect, enforceability, performance and remedies.

**Assignability.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns; provided, however, that no party hereto may assign its respective rights or delegate its respective obligations under this Agreement, directly or indirectly (including by sale of assets or stock or by means of a merger or consolidation) without the express prior written consent of the other party hereto. Notwithstanding the foregoing, no such consent shall be required for the assignment of a party's rights and obligations under this Agreement in whole in connection with a Change of Control of a party so long as the resulting, surviving or transferee Person assumes all the obligations of the relevant party thereto by operation of Law or pursuant to an agreement in form and substance reasonably satisfactory to the other party. Nothing in this Section 9.3 is intended to, or shall be construed to, prohibit either party or any of its Subsidiaries from being party to or undertaking a Change of Control.

**Third-Party Beneficiaries.** Except for the indemnification rights under this Agreement of any members of the SLM BankCo Group or the Navient Group in their respective capacities as such, (a) the provisions of this Agreement are solely for the benefit of the parties hereto and are not intended to confer upon any Person except the parties hereto any rights or remedies hereunder,

and (b) there are no third party beneficiaries of this Agreement and this Agreement shall not provide any third Person with any remedy, claim, liability, reimbursement, claim of action or other right in excess of those existing without reference to this Agreement.

Notices. The provisions of Section 10.5 of the Separation Agreement shall apply to all notices, requests, claims, demands or other communications under this Agreement.

Severability. If any provision of this Agreement or the application thereof to any Person or circumstance is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions hereof, or the application of such provision to Persons or circumstances or in jurisdictions other than those as to which it has been held invalid or unenforceable, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby. Upon such determination, the parties shall negotiate in good faith in an effort to agree upon a suitable and equitable provision to effect the original intent of the parties.

Section 9.2 Force Majeure. No party shall be deemed in default of this Agreement to the extent that any delay or failure in the performance of its obligations under this Agreement results from any Force Majeure. In the event of any such excused delay, the time for performance shall be extended for a period equal to the time lost by reason of the delay.

Section 9.3 Expenses. Except as otherwise expressly set forth in this Agreement, each Group shall bear its own expenses incurred after the Effective Time in connection with the preparation of Tax Returns and other matters related to Taxes under the provisions of this Agreement for which it is liable.

Headings. The article, section and paragraph headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

Section 9.4 Termination.

(a) This Agreement may be terminated by the Sallie Mae Board at any time, in its sole and absolute discretion, prior to the Separation Effective Time. After the Separation Effective Time, this Agreement may not be terminated except by an agreement in writing signed by each of the parties.

(b) In the event of any termination of this Agreement prior to the Separation Effective Time, no party (or any of its directors or officers) shall have any liability or further obligation to any other party.

Waivers of Default. Waiver by any party of any default by the other party of any provision of this Agreement shall not be deemed a waiver by the waiving party of any subsequent or other default, nor shall it prejudice the rights of the other party. No failure or delay by any party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall a single or partial exercise thereof prejudice any other or further exercise thereof or the exercise of any other right, power or privilege.

**Amendments.** No provisions of this Agreement shall be deemed waived, amended, supplemented or modified by any party, unless such waiver, amendment, supplement or modification is in writing and signed by the authorized representative of the party against whom it is sought to enforce such waiver, amendment, supplement or modification.

**Interpretation.** In this Agreement, (a) words in the singular shall be held to include the plural and vice versa and words of one gender shall be held to include the other genders as the context requires; (b) the terms “hereof,” “herein,” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement as a whole and not to any particular provision of this Agreement; (c) Article and Section references are to the Articles and Sections to this Agreement unless otherwise specified; (d) the word “including” and words of similar import when used in this Agreement shall mean “including, without limitation;”; (e) the word “or” shall not be exclusive; (f) unless expressly stated to the contrary in this Agreement, all references to “the date hereof,” “the date of this Agreement,” “hereby” and “hereupon” and words of similar import shall all be references to April 29, 2014, regardless of any amendment or restatement hereof; and (g) references to any agreement, instrument or other document shall mean such agreement, instrument or other document as amended, supplemented or modified from time to time to the extent permitted by the provisions thereof and not prohibited by this Agreement.

**Limitation of Liability.** Except as expressly set out in this Agreement, neither Navient or its Affiliates, on the one hand, nor SLM BankCo or its Affiliates, on the other hand, shall be liable under this Agreement to the other for any special, indirect, punitive, exemplary, remote, speculative or similar damages in excess of compensatory damages of the other arising in connection with the transactions contemplated hereby (other than any such liability included in the definition of Taxes or with respect to a Third Party Claim).

**Performance.** SLM BankCo will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement to be performed by any member of the SLM BankCo Group. Navient will cause to be performed, and hereby guarantees the performance of, all actions, agreements and obligations set forth in this Agreement to be performed by any member of the Navient Group. Each party (including its permitted successors and assigns) further agrees that it will (a) give timely notice of the terms, conditions and continuing obligations contained in this Agreement to all of the other members of its Group and (b) cause all of the other members of its Group not to take any action or fail to take any such action inconsistent with such party’s obligations under this Agreement or the transactions contemplated hereby.

**Predecessors or Successors.** Any reference to SLM BankCo, Navient, a Person, or a Subsidiary in this Agreement shall include any predecessors or successors (*e.g.*, by merger or other reorganization, liquidation, conversion, or election under Treasury Regulations Section 301.7701-3) of SLM BankCo, Navient, such Person, or such Subsidiary, respectively.

**Effective Time.** This Agreement shall become effective on the date recited above on which the parties entered into this Agreement.

Change in Law. Any reference to a provision of the Code or any other Tax Law shall include a reference to any applicable successor provision or Law.

Disputes. Except as otherwise provided under this Agreement (*e.g.*, under Section 7.2(b)(ii)), the procedures for resolving Disputes set forth in Article VII of the Separation Agreement shall apply to all Disputes (whether sounding in contract, tort or otherwise) arising out of or related to this Agreement or the transactions contemplated hereby between or among any members of the Navient Group and the SLM BankCo Group.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by the respective officers as of the date set forth above.

NAVIENT CORPORATION

By: /s/ John F. Remondi  
Name: John F. Remondi  
Title: Chief Executive Officer

NEW BLC CORPORATION

By: /s/ Raymond Quinlan  
Name: Raymond Quinlan  
Title: Chief Executive Officer



NEWS RELEASE

For immediate release

**Navient celebrates launch as new leader in loan servicing and asset recovery, dedicated to helping customers navigate the path to financial success**

**NEWARK, Del., May 1, 2014** — Navient, the nation’s leading loan management, servicing and asset recovery company, today marks its launch as an independent company dedicated to helping customers navigate the path to financial success. Navient will begin “regular way” trading today on the NASDAQ stock market under the ticker symbol NAVI.

Created from the strategic separation of Sallie Mae into two companies, Navient services nearly \$300 billion in student loans, providing customer support to assist 12 million customers in successfully paying their education loans.

“Navient’s dedicated 6,000 employees bring a devotion to client service, compliance and expertise to assist our customers in successfully repaying education loans and other credit,” said John (Jack) F. Remondi, president and CEO, Navient.

Navient will continue a strong track record of results: its federal loan customers default at a rate 30 percent better than the national average, with higher enrollment in income-based repayment plans and lower usage of interest capitalizing forbearance. Subsidiaries Pioneer Credit Recovery and General Revenue Corporation are also part of the Navient family, and will continue their top-performing work in asset recovery for 1,500 government entities and higher education institutions.

During a transition period, customers will continue to have their student loans serviced under the Sallie Mae name with no changes to how they conduct business until the fall of 2014. Along the way, they will receive personalized information about their account and any changes needed to ensure a smooth transition.

More information about the new company is available at [navient.com](http://navient.com).

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#### **About Navient**

As the nation’s leading loan management, servicing and asset recovery company, Navient (NASDAQ: NAVI) helps customers navigate the path to financial success. Servicing a \$300 billion student loan portfolio, the company supports the educational and economic achievements of more than 12 million Americans. A growing number of government and higher education clients rely on Navient for proven solutions to meet their financial goals. Learn more at [navient.com](http://navient.com). Created from the strategic separation of Sallie Mae, Navient began trading on NASDAQ as an independent company on May 1, 2014.

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