

STUDENT LOAN CORP  
Form DEF 14A  
April 13, 2004

**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the**  
**Securities Exchange Act of 1934**  
**(Amendment No. \_\_)**

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

Check the appropriate box:

Preliminary Proxy Statement

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

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**THE STUDENT LOAN CORPORATION**

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(Name of Registrant as Specified In Its Charter)

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

Payment of Filing Fee (Check the appropriate box):

No fee required.

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

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(1) Amount Previously Paid:

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**NOTICE OF ANNUAL MEETING OF STOCKHOLDERS**

*April 12, 2004*

**Date of Meeting:** May 13, 2004  
**Time:** 8:30 a.m., Eastern Time  
**Place:** The Rihga Royal Hotel  
151 West 54th Street  
  
New York, NY 10019  
  
(212) 307-5000

At the Annual Meeting, the following proposals are on the agenda for action by the stockholders:

- To elect three directors to hold office until the annual meeting in 2007, and until the election and qualification of their successors;
- To ratify the selection of KPMG LLP as independent auditors for 2004; and
- To transact such other business as may properly come before the meeting.

Please complete the enclosed proxy card and return it promptly in the enclosed envelope. If you do decide to attend the meeting, you may withdraw your proxy and vote in person at that time. Stockholders of record at the close of business (5:00 P.M., Eastern Time) on March 31, 2004 are entitled to one vote for each share held. A list of these stockholders will be available for inspection for 10 days preceding the meeting at 750 Washington Boulevard, 9th Floor, Stamford, Connecticut, and also will be available for inspection at the meeting itself.

By order of the Board of Directors,

Yiannis Zographakis

Chief Executive Officer

**THE STUDENT LOAN CORPORATION**

**750 Washington Boulevard**

**Stamford, CT 06901**

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**PROXY STATEMENT**

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**ANNUAL MEETING OF STOCKHOLDERS**

This Proxy Statement is furnished in connection with the solicitation of proxies by the Board of Directors of The Student Loan Corporation (the Corporation). These proxies will be voted at the Annual Meeting of Stockholders of the Corporation, to be held at The Rihga Royal Hotel, 151 West 54th Street, New York, New York, on May 13, 2004 (the Annual Meeting), at 8:30 a.m. (Eastern Time), and at any adjournments or postponements of such meeting. The Board of Directors has set the close of business (5:00 P.M., Eastern Time) on March 31, 2004 as the record date for determining stockholders entitled to notice of and to vote at the meeting. As of the record date there were 20 million shares of the Corporation's common stock outstanding and eligible to vote. Each share of common stock entitles the holder thereof to one vote on each matter that is voted on at the meeting. This Proxy Statement and the accompanying proxy card are first being sent to stockholders on or about April 12, 2004.

***PROPOSAL 1: ELECTION OF DIRECTORS***

The Corporation has eight directors. The Corporation's directors are divided into three classes. The directors of each class serve for a term of three years, and, therefore, the stockholders of the Corporation generally will elect one-third of the directors at each annual meeting. Of the current members, Mr. Beckmann, Dr. Glover and Mr. Zographakis serve for a term expiring at the Annual Meeting in 2004; Mses. Doynow and Fadule and Mr. Young serve for a term expiring at the annual meeting in 2005, and Dr. Handler and Mr. Levinson serve for a term expiring at the annual meeting in 2006.

As the term of office of three of the eight directors will expire at the Annual Meeting, three nominees, Bill Beckmann, Dr. Glenda Glover and Yiannis Zographakis, have been proposed for election as directors of the Corporation to hold office until the third annual meeting following their election. If any nominee is unable to serve out his or her term, the Board may appoint a successor to fill the unexpired portion. The election of each nominee requires the affirmative vote of a plurality of the votes cast at the Annual Meeting.

The Board of Directors recommends a vote FOR the named nominees.

***Director Information***

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The following information with respect to each director is set forth below: name, age, positions and offices held, principal occupation, certain other of the director's activities and term of office as director. Messrs. Beckmann, Levinson and Young and Ms. Doynow are officers of Citigroup Inc. or its subsidiaries. Mr. Zographakis is the Chief Executive Officer of the Corporation. Citigroup indirectly owns 80% of the outstanding common stock of the Corporation.

**Bill Beckmann, 43.** Mr. Beckmann has been Chairman of the Board of Directors of the Corporation since January 2001. Prior to that he was the President of the Corporation from October 1997 to January 2001 and its Chief Executive Officer from May 1998 to January 2001. Before joining the Corporation, from 1984 to 1994, he held a number of jobs with Citicorp subsidiaries, including managing strategic planning for the Citicorp Card Products Group, managing finance for Citicorp's private label credit card program and managing asset

dispositions for a provider of real-time financial information. From 1994 to 1997, Mr. Beckmann was a Vice President of International Business Machines, most recently with responsibility for developing IBM's Internet business. Since April 2003, Mr. Beckmann has acted as President of Citigroup Real Estate Servicing and Technology.

Mr. Beckmann has been a director of the Corporation since October 1997. His current term as director expires at the Annual Meeting, and he is a nominee for election for a term that expires at the annual meeting in 2007.

**Gina Doynow, 45.** Ms. Doynow has been a Senior Vice President with Citicorp Credit Services, Inc. since February 2003. Since joining Citicorp in 1988, she has held a number of operations, risk and marketing jobs within the Retail Bank and North American Card Services. These included Director of Revenue Services, a fee based enhancement business and Fraud Risk Policy Director. She was also the CitiCards Business Manager for the College Credit Unit for three years. From 1995-1997, she served as Citicorp's Representative to the MasterCard International Security Committee.

Ms. Doynow has been a director of the Corporation since August 2000. Her current term as director expires at the annual meeting in 2005.

**Jill H. Fadule, 40.** Since October 2001, Ms. Fadule has served as a management consultant. From 1999 until 2001, she was a Vice President at Merrill Lynch Wealth Management Services where she had responsibility for recruiting, hiring and training MBA candidates as part of Merrill Lynch's Wealth Management Associates Program. Beginning in 1990, Ms. Fadule held several positions at Harvard Business School. From 1992 to 1997, Ms. Fadule served as Director of MBA Admissions and Chairperson of the Admissions Board. In 1997, she was promoted to Managing Director of MBA Admissions and Financial Aid and served in that role until 1999.

From 1988 to 1990, Ms. Fadule was a consultant with Bain and Corporation, Inc. in Boston, principally engaged in strategic planning for multinational clients. Prior to joining Bain and Corporation, Ms. Fadule worked for Prudential-Bache Securities as a financial analyst in the Investment Banking Division.

A graduate of Princeton University, Ms. Fadule earned an MBA degree from Harvard University.

Ms. Fadule has been a director of the Corporation since July 2001. Her current term as director expires at the annual meeting in 2005.

**Glenda B. Glover, 51.** Dr. Glover has been the Dean of the School of Business of Jackson State University since 1994. From 1990 to 1994, she was the Chairperson of the Department of Accounting and an Assistant Professor at Howard University. Prior to joining Howard University, from 1985 to 1990, Dr. Glover was the Chief Financial Officer and a Senior Vice President of Metters Industries, Inc. From 1979 to 1984, she was the Project Manager for Tax Administration and Coordinator of Investor Relations at Potomac Electric Power Co. Dr. Glover founded the National Center for Enterprise Zone Research in 1987 and is currently the President of this non-profit economic development corporation.

In addition, Dr. Glover is a Board Examiner for the AICPA and also serves on the Advisory Board for Union Planters Bank of Mississippi. Aside from being a certified public accountant, she has a Ph.D. in business and is licensed to practice law.

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Dr. Glover has been a director of the Corporation since May 1998. Her current term as director expires at the Annual Meeting, and she is a nominee for election for a term that expires at the annual meeting in 2007.

**Evelyn E. Handler, 70.** Dr. Handler has been President of Merrimack Consultants LLC, Bow, New Hampshire since 1999. She served as the Executive Director and Chief Executive Officer of the California Academy of Sciences from 1994 to 1997. Prior to joining the California Academy of Sciences, Dr. Handler served as a Research Fellow and as an Associate of the Graduate School of Education at Harvard, and as a Senior Fellow at



The Carnegie Foundation for the Advancement of Teaching. She served as President of Brandeis University from 1983 to 1992, and as President of the University of New Hampshire from 1980 to 1983. Previously, she was Dean of Sciences and Mathematics and professor of biological sciences at Hunter College.

A graduate of Hunter College, Dr. Handler earned her M.Sc. and her Ph.D. degrees from New York University and her J.D. from Pierce Law. She has written extensively on myelogenous leukemia research. Dr. Handler is a Fellow of the American Association for the Advancement of Science and a Fellow of the New York Academy of Sciences. Additionally, she was elected to the Board of Governors of the New York Academy of Sciences in 1979. She holds honorary degrees from the University of Pittsburgh, Rivier College and Hunter College.

Dr. Handler has been a director of the Corporation since April 1993. Her current term as director expires at the annual meeting in 2006.

**Carl E. Levinson, 57.** Mr. Levinson has been Division Executive of Citigroup's Consumer Assets Division since 1997 and has been Chairman of CitiMortgage, Inc. since August 1992. Mr. Levinson joined Citicorp in 1973 as a manager of Funds Transfer in the New York Operating Group. In 1975 he became head of Finance, Administration and Operations for Citicorp Remittance Services and in 1979 was appointed Business Manager for Citicorp Remittance Services, a global check processing and cash management business. From 1982 to 1984, Mr. Levinson was the Global Product Manager for Citicorp Travelers Checks. In June 1984, Mr. Levinson moved into Citicorp Retail Services as Director of Business Development and Commercial Credit. In September 1986 he was appointed President and General Manager of Citicorp Retail Services, which offers private label credit card programs to leading retailers. He was appointed General Manager of Card Services in 1991 and spearheaded a corporate expense task force during the first half of 1992.

Mr. Levinson has been a director of the Corporation since October 1994, and from July 1997 through January 2001 served as Chairman of the Board. He also served as the Corporation's Chief Executive Officer from October 1997 to May 1998. His current term as director expires at the annual meeting in 2006.

**David W. Young, 55.** Mr. Young has been the Treasurer of the Global Consumer Business of Citigroup. Mr. Young joined Citibank during 1972 in the New York State Expansion Program. He served as branch manager in Nassau County and subsequently was named district head for branches in the Syracuse and Albany areas. In 1981, he joined the Citicorp Investment Bank in Hong Kong where he was responsible for securities sales and swaps trading activities. In 1986, Mr. Young was appointed head of the exposure management division, which marketed and traded swaps and option derivatives for Citibank. During 1992, he managed the Asset Task Force to review how Citicorp managed its balance sheets and in 1993 he was made responsible for the Citibanking Treasury in the U.S. and Europe.

Mr. Young has been a director of the Corporation since August 2000. His current term as director expires at the annual meeting in 2005.

**Yiannis Zographakis, 41.** Mr. Zographakis is the Chief Executive Officer of the Corporation. He first joined the Corporation in March 1998 as the Chief Financial Officer and Treasurer. In July 2000, he was appointed as the Chief Operations Officer, and in January 2001, he was named the Chief Executive Officer. Prior to joining the Corporation, Mr. Zographakis held various positions with Citibank, including Treasurer for the Consumer Bank in Greece, Director of Finance for CitiMortgage, Financial Controller for Citibank Consumer Finance and Director of Finance for the Consumer Assets Division. Mr. Zographakis joined Citibank in 1990. His current term as director expires at the Annual Meeting, and he is a nominee for election for a term that expires at the annual meeting in 2007.

*Share Ownership of Directors and Executive Officers*

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The following directors, including director nominees, and named executive officers and all current directors and executive officers as a group owned, as of March 31, 2004, the number of shares of the Corporation s

common stock set forth below. All owners have sole voting power and investment power with respect to such shares. The current directors and executive officers of the Corporation as a group beneficially own less than 1% of the total shares of common stock outstanding.

<u>Name/Position</u>	<u>Shares of Common Stock</u>
Bill Beckmann, Director	4,500
Catherine Birch, Executive Officer	300
Gina Doynow, Director	0
Jill H. Fadule, Director	0
Glenda B. Glover, Director	0
Steven J. Gorey <sup>1</sup>	200
Evelyn E. Handler, Director	0
Carl E. Levinson, Director	0
Sue Fowler Roberts, Executive Officer	400
David W. Young, Director	0
Yiannis Zographakis, Chief Executive Officer	200
All directors and executive officers as a group (11 persons)	5,400

#### *Certain Other Share Owners*

Citibank, N.A., 399 Park Avenue, NY, NY 10043, an indirect wholly-owned subsidiary of Citigroup, is the holder of 16 million shares as of March 31, 2004, accounting for 80% of the Corporation's outstanding common stock. Citicorp is the sole stockholder of Citibank, N.A., Citigroup Holdings Company is the sole stockholder of Citicorp and Citigroup is the sole stockholder of Citigroup Holdings. Each of Citibank N.A., Citicorp, Citigroup Holdings and Citigroup has shared voting power and shared dispositive powers with respect to such shares.

Ruane, Cunniff & Co., Inc., 767 Fifth Avenue, New York, New York 10153-4798 ( Ruane ), is the owner of 1,009,700 shares of the Corporation's common stock, accounting for 5.048% of the Corporation's outstanding common stock. This holding is as of December 31, 2003, according to the Schedule 13G dated February 13, 2004 filed by Ruane, an investment adviser. Ruane reports that it has sole voting power with respect to 930,300 shares and sole dispositive power with respect to 1,009,700 shares.

Citibank, N.A. and Ruane are the only persons known by the Corporation to own beneficially more than 5% of the Corporation's outstanding common stock.

#### *Section 16(a) Beneficial Ownership Reporting Compliance*

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Corporation's officers and directors, and persons who own more than 10% of the Corporation's outstanding common stock, to file with the Securities and Exchange Commission and the New York Stock Exchange initial reports of ownership, reports of changes in ownership, and annual reports of ownership of common stock. Such directors, officers, and 10% stockholders are also required to furnish the Corporation with copies of all such filed reports.

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Based on its review of the forms it received, or written representations from reporting persons, the Corporation believes that all of our directors, officers and 10% shareholders timely filed all required reports under Section 16(a) during 2003.

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1 Effective January 23, 2004, Mr. Gorey left the Corporation to pursue other employment opportunities.

### ***Board Meeting Data***

There were five meetings of the Board during 2003. Each director attended at least 75% of the total number of meetings of the Board of Directors and Board committee meetings of which he or she was a member in 2003.

### ***Meetings of Non-Management Directors***

The Corporation's non-management directors meet in executive sessions without any management directors in attendance each time the full Board convenes for a regularly scheduled meeting, which is usually five times each year, and, if the Board convenes a special meeting, the non-management directors may meet in executive session if the circumstances warrant. The responsibility for presiding at the executive sessions is rotated from meeting to meeting among the chairpersons of each Board committee.

### ***Board Committees***

The Board has established an Audit Committee and a Compensation Committee. As the Corporation is a controlled corporation having 80% of its voting power held by Citibank, N.A., the corporate governance rules of the New York Stock Exchange do not require the Corporation to have specific nominating and corporate governance committees. In accordance with such New York Stock Exchange rules, the Corporation does not have standing nominating and corporate governance committees.

The principal function of the Audit Committee is to assist the Board in fulfilling its oversight responsibility relating to (i) the integrity of the Corporation's financial statements and financial reporting process and the Corporation's systems of internal accounting and financial controls; (ii) the performance of the internal audit function Audit and Risk Review (ARR); (iii) the annual independent audit of the Corporation's financial statements, the engagement of the independent auditors and the evaluation of the independent auditors' qualifications, independence and performance; (iv) policy standards and guidelines for risk assessment and risk management; (v) the compliance by the Corporation with legal and regulatory requirements, including the Corporation's disclosure controls and procedures; and (vi) the fulfillment of the other responsibilities set out in the Audit Committee Charter. The Audit Committee, which includes Ms. Fadule, Dr. Glover and Dr. Handler, had five meetings during 2003. The Board of Directors has determined that in addition to being independent according to the Board of Directors' independence standards as set out in the Corporation's Corporate Governance Guidelines, each of the members of the Audit Committee is independent according to the corporate governance rules of the New York Stock Exchange and the applicable Securities and Exchange Commission rules. In addition, the Board of Directors has determined that Dr. Glenda B. Glover is an audit committee financial expert, as defined by Securities and Exchange Commission rules.

A copy of the Audit Committee Charter, adopted by the Board, is attached to this Proxy Statement as Annex B.

The principal functions of the Compensation Committee are reviewing and recommending compensation for all executive officers of the Corporation, evaluating annually individual and corporate performance and evaluating information concerning such matters as competitive compensation levels and employee benefit programs. The Compensation Committee, which is comprised of Ms. Fadule, Dr. Glover and Dr. Handler, had four meetings during 2003. The Board of Directors has determined that in addition to being independent according to the Board of Directors' independence standards as set out in the Corporate Governance Guidelines, each of the members of the Compensation Committee is independent according to the corporate governance rules of the New York Stock Exchange. A copy of the Compensation Committee Charter, adopted by the Board, is attached to this Proxy Statement as Annex C.

In light of the fact that the corporate governance rules of the New York Stock Exchange do not require the Corporation, as a controlled corporation, to have a specific nominating committee, the Board believes that it is

appropriate not to have a separately designated nominating committee and therefore does not have a nominating committee charter. The Board of Directors as a whole performs the functions that would typically be performed by a nominating committee.

The Chairman of the Board initially considers all qualified independent director candidates identified by members of the Board, by senior management and by security holders. Security holders who would like to propose an independent director candidate for consideration by the Board may do so by submitting the candidate's name, résumé and biographical information to the attention of the Secretary of the Corporation, The Student Loan Corporation, 750 Washington Boulevard, Stamford, CT 06901. All proposals for nomination received by the Secretary of the Corporation will be presented to the Chairman of the Board for consideration. Based on the Chairman's assessment of each candidate's independence, skills and qualifications, and after consultation with the Compensation Committee, the Chairman of the Board makes recommendations regarding potential independent director candidates to the Board. The Chairman of the Board follows the same process and uses the same criteria for evaluating candidates proposed by security holders, members of the Board of Directors and members of senior management.

Citibank, N.A., the majority holder of the Corporation's common stock, makes recommendations regarding all potential director candidates to the Board other than the independent director candidates recommended by the Chairman of the Board, as described above.

The Board reviews each director candidate's biographical information and assesses each candidate's independence, skills and expertise based on a variety of factors, including the following criteria, which have been developed and approved by the Board:

Whether the candidate has exhibited behavior that indicates he or she is committed to the highest ethical standards.

Whether the candidate has had broad business, governmental, non-profit or professional experience that indicates that the candidate will be able to make a significant and immediate contribution to the board's discussion and decision-making.

Whether the candidate has special skills, expertise and background that adds to and complements the range of skills, expertise and background of the existing directors.

Whether the candidate has had a successful career that demonstrates the ability to make the kind of important and sensitive judgments that the Board is called upon to make.

Whether the candidate will effectively, consistently and appropriately take into account and balance the legitimate interests and concerns of the Corporation's stockholders and our other stakeholders in reaching decisions.

Whether the candidate will be able to devote sufficient time and energy to the performance of his or her duties as a director.

Application of these factors involves the exercise of judgment and cannot be measured in any mathematical or routine way.

Ms. Fadule, Dr. Glover and Dr. Handler are independent in accordance with the Board of Directors' independence standards as set out in the Corporate Governance Guidelines and the corporate governance rules of the New York Stock Exchange.

*Compensation Committee Interlocks and Insider Participation*

The Compensation Committee currently consists of Dr. Glover, as Chairman, Dr. Handler and Ms. Fadule. None of the Corporation's executive officers served as: (i) a member of the compensation committee (or other



board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another entity, one of whose executive officers served on the Corporation's Compensation Committee; (ii) a director of another entity, one of whose executive officers served on the Corporation's Compensation Committee; or (iii) a member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of another entity, one of whose executive officers served as one of the Corporation's directors.

***Board Compensation***

In 2003, directors who were not employees of the Corporation or affiliated companies received an annual fee of \$40,000 for service on the Board, an annual fee of \$6,000 for service as Chairman of the Audit Committee or the Compensation Committee and a fee of \$1,250 for attendance at each Board or committee meeting. Directors who are employees of the Corporation or affiliated companies do not receive any fees or additional compensation for services as members of the Board or any committee. All directors are reimbursed for travel and other related expenses.

**AUDIT COMMITTEE REPORT**

In accordance with its written charter, which was approved in its current form by the Board of Directors on March 9, 2004, the Audit Committee assists the Board in oversight of the financial reporting process, including the effectiveness of internal accounting and financial controls and procedures, and controls over the accounting, auditing and quality of financial reporting practices of the Corporation. A copy of the Audit Committee Charter is attached to this Proxy Statement as Annex B.

Management is responsible for the financial reporting process, the preparation of financial statements in accordance with generally accepted accounting principles, the system of internal controls, and the establishment of procedures designed to insure compliance with accounting standards and applicable laws and regulations. The Corporation's independent auditors are responsible for auditing the financial statements. The Audit Committee's responsibility is to monitor and review these processes and procedures. The Board of Directors has designated Dr. Glenda B. Glover as an audit committee financial expert as defined by the Securities and Exchange Commission rules; however, the members of the Audit Committee are not professionally engaged in the practice of accounting or auditing. The Audit Committee relies, without independent verification, on the information provided to it and on the representations made by management and the independent auditors that the financial statements have been prepared with integrity and objectivity and on the representations of management and the opinion of the independent auditors that such financial statements have been prepared in conformity with generally accepted accounting principles.

During 2003, the Audit Committee had five meetings. The meetings were conducted so as to encourage communication among the members of the Audit Committee, management, the internal auditors, and the Corporation's independent auditors, KPMG LLP. Among other things, the Audit Committee discussed with the Corporation's internal and independent auditors the overall scope and plans for their respective audits. The Audit Committee separately met with each of the internal and independent auditors, with and without management, to discuss the results of their examinations and their evaluations of the Corporation's internal controls. The Audit Committee also discussed with the Corporation's independent auditors all matters required by generally accepted auditing standards, including those described in Statement on Auditing Standards No. 61, as amended, Communication with Audit Committees.

The Audit Committee reviewed and discussed the audited financial statements of the Corporation as of and for the year ended December 31, 2003 with management, the internal auditors, and KPMG LLP, the Corporation's independent auditors. Management's discussions with the Committee included a review of critical accounting policies.

The Audit Committee obtained from the independent auditors a formal written statement describing all relationships between the auditors and the Corporation that might bear on the auditors' independence consistent with Independence Standards Board Standard No. 1, Independence Discussions with Audit Committees. The Audit Committee discussed with the auditors any relationships that may have an impact on their objectivity and independence and satisfied itself as to the auditors' independence. Effective January 1, 2003, the Corporation adopted a policy that it would no longer engage its primary independent auditors for non-audit services other than audit-related services as defined by the Securities and Exchange Commission, certain tax services and other permissible non-audit services as specifically approved by the Chair of the Audit Committee and presented to the full Audit Committee at its next regular meeting. The policy also requires pre-approval of all services provided. The policy includes limitations on the hiring of KPMG partners and other professionals to ensure that we satisfy the SEC's auditor independence rules. The Audit Committee has reviewed and approved the amount of fees paid to KPMG for audit and non-audit services. The Audit Committee concluded that the provision of services by KPMG is compatible with the maintenance of KPMG's independence.

At four of its meetings during 2003, the Audit Committee met with members of senior management and the independent auditors to review the certifications provided by the Chief Executive Officer and Chief Financial Officer under the Sarbanes-Oxley Act of 2002, the rules and regulations of the Securities and Exchange



Commission and the overall certification process. At these meetings, company officers reviewed each of the Sarbanes-Oxley certification requirements concerning internal controls and any fraud, whether or not material, involving management or other employees with a significant role in internal control over financial reporting.

Based on the above-mentioned review and discussions with management, the internal auditors and the independent auditors, and subject to the limitations on the role and responsibilities described above of the Audit Committee and in the Audit Committee charter, the Audit Committee recommended to the Board of Directors that the Corporation's audited financial statements be included in the Corporation's Annual Report on Form 10-K for the fiscal year ended December 31, 2003, for filing with the Securities and Exchange Commission.

By The Audit Committee

Evelyn E. Handler, *Chairman*

Jill H. Fadule

Glenda B. Glover

**COMPENSATION COMMITTEE REPORT**

The Compensation Committee of the Corporation's Board of Directors is responsible for reviewing and recommending compensation for all executive officers of the Corporation. The Committee met four times during 2003. The Committee annually evaluates individual and corporate performance. A copy of the Compensation Committee Charter is attached to this Proxy Statement as Annex C.

The Compensation Committee reviewed the performance of executive officers of the Corporation and the level of compensation recommended by management and determined the appropriate compensation for approval by the Board. Compensation for executive officers was determined by the Committee based on input from, and recommendations made by, the Chairman of the Board, Mr. Bill Beckmann. Performance is generally measured based on an assessment of the executives, their accomplishments and individual and corporate performance.

Compensation for the Corporation's executive officers consists of salaries and annual cash incentive awards. In addition, all employees of the Corporation are eligible to participate in certain of the compensation plans of Citigroup and its affiliates, including a savings incentive plan, a stock purchase plan and a retirement plan. The Corporation reimburses Citigroup for the cost of its employees' participation in Citigroup's plans.

Total annual compensation of executive officers is based on individual and corporate performance. While corporate performance measures are considered in setting compensation levels, no specific quantitative formula is used in making compensation decisions or recommendations.

Salaries for the executive officers of the Corporation are established at levels considered appropriate in light of the duties and scope of responsibilities of each officer's position. Salaries are reviewed periodically and adjusted as warranted to reflect competitive pay levels. Annual cash incentive awards for the executive officers are based on an assessment of individual performance and corporate results in attaining or exceeding a set of targets agreed on by the management of the Corporation and approved by the Committee.

Incentive awards, including stock option grants, vary based on assessments of each executive officer's individual contributions as well as corporate performance. The Committee reviews options granted to executive officers of the Corporation to purchase shares of Citigroup stock when determining whether to grant options to purchase the Corporation's stock. Although grants of Citigroup options were made to officers of the Corporation for 2003, after consultation with Directors, the Committee determined not to recommend the grant of any options to purchase the Corporation's stock for 2003.

In determining the salary, bonus, options and other compensation to be granted to the Corporation's Chief Executive Officer, Yiannis Zographakis, in fiscal year 2003, the Compensation Committee followed the policies for executive compensation described above. The Compensation Committee approved Mr. Zographakis' increase in salary and bonus on his successful fulfillment of the goals that the Compensation Committee had set forth for Mr. Zographakis in fiscal year 2003. The Committee believes that the leadership provided by Mr. Zographakis and the other executive officers of the Corporation was critical to the Corporation's financial performance and that the commitment of the executive officers to further improve the Corporation's corporate governance has well positioned the Corporation for continued success.

By the Compensation Committee

Glenda B. Glover, *Chairman*

Evelyn E. Handler

Jill H. Fadule

**EXECUTIVE OFFICERS**

The executive officers of the Corporation are set forth below. Officers serve at the pleasure of the Board.

<u>Name</u>	<u>Age</u>	<u>Position and Office Held</u>
Yiannis Zographakis	41	Chief Executive Officer
Sue Fowler Roberts	53	President
Catherine Birch	42	Vice President, Secretary and General Counsel
Daniel P. McHugh	34	Vice President and Chief Financial Officer

Information with respect to Mr. Zographakis is set forth above.

Ms. Birch joined the Corporation in September 2001. She first joined Citibank in July of 2000 and acted as Vice President and General Counsel of Citibank's Consumer Finance Group. Prior to joining Citibank, Ms. Birch was a partner at Cummings & Lockwood, a full service law firm located in Stamford, Connecticut.

Mr. McHugh joined the Corporation on April 1, 2004 as Vice President and Chief Financial Officer. Prior to joining the Corporation, Mr. McHugh was Chief Financial Officer of Citigroup Central Europe in both corporate and consumer businesses in the Czech Republic, Slovakia, Hungary, Romania and Bulgaria) and the consumer business in Poland from May 2001 to March 2004. From May 1999 to April 2001, Mr. McHugh was Chief Financial Officer for the corporate and consumer businesses in the Czech Republic. Mr. McHugh is a certified public accountant. Prior to joining Citigroup, he was an Audit Manager with KPMG.

Ms. Roberts joined the Corporation in November 1998 as a Senior Vice President. She was appointed President of the Corporation in January 2001. Prior to joining the Corporation, she was President and Chief Executive Officer of Education First Marketing, LLC, a joint venture between Sallie Mae and Chase Manhattan Bank. From 1991 to March 1998, Ms. Roberts was a Vice President of Sallie Mae, most recently with responsibility for Sales, East Region.

**Compensation**

Compensation of employees is based on an assessment of each individual employee's performance as well as the Corporation's performance in attaining or exceeding a set of targets agreed on by the management of the Corporation and approved by the Compensation Committee. Employees of the Corporation participate in the compensation plans of Citigroup and its affiliates. Generally, compensation for the Corporation's executive officers consists of salary and an annual cash incentive award (both of which are paid directly by the Corporation), as well as a retirement plan, a savings incentive plan, a stock purchase plan, a medical plan and other benefit plans available to employees of Citigroup affiliates generally, in which executive officers also participate. The Corporation reimburses Citigroup for all costs incurred in connection with its employees' participation in Citigroup benefit plans. Certain officers and other employees of the Corporation have also received options to purchase Citigroup stock ( Citigroup options ).

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The tables on pages 13 through 16 show, among other things, salaries and bonuses paid during the last three years, Citigroup options granted in 2003 and aggregate Citigroup option exercises in 2003 for the named executive officers.



## SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation		Long-Term Compensation		
		Salary	Bonus <sup>(1)</sup>	Restricted Stock Awards <sup>(2)</sup>	Number of Securities Underlying Citigroup Options Granted <sup>(3)</sup>	All Other Compensation
Catherine Birch <sup>(5)</sup>	2003	\$176,100	\$ 71,250	\$23,750	1,200	\$ 0
Vice President, Secretary and General Counsel	2002	\$171,800	\$ 45,000	\$15,000	1,072	\$ 0
	2001	\$161,944	\$ 37,500	\$12,500	1,000	\$ 0
Steven Gorey <sup>(6)</sup>	2003	\$169,000				\$ 85,000
Vice President and Chief Financial Officer	2002	\$169,000	\$ 127,500	\$42,500	4,825	\$ 0
	2001	\$157,500	\$ 116,250	\$38,750	4,500	\$ 0
Sue Fowler Roberts	2003	\$206,000	\$ 180,000	\$60,000	2,500	\$ 0
President	2002	\$206,000	\$ 157,500	\$52,500	5,147	\$ 0
	2001	\$200,000	\$ 131,250	\$43,750	4,375	\$ 0
Yiannis Zographakis	2003	\$150,000	\$ 195,000	\$65,000	3,000	\$ 149,403 <sup>(4)</sup>
Chief Executive Officer	2002	\$150,000	\$ 157,500	\$52,500	5,147	\$ 115,337 <sup>(4)(7)</sup>
	2001	\$150,000	\$ 135,000	\$45,000	4,375	\$ 128,527 <sup>(4)(8)</sup>

(1) Bonus awards were made in 2004 based on 2003 performance.

(2) Restricted stock awards represent the value of Citigroup common stock (discounted 25% from market value to reflect restrictions on transfer and the possibility of forfeiture) granted under the Citigroup capital accumulation program ( CAP ). Under CAP, a recipient may not transfer restricted stock for three years after the award. If the recipient is still employed by a Citigroup subsidiary at the end of three years, the restricted stock becomes fully vested and freely transferable. From the date of the award, the recipient can vote the restricted stock and receives full dividends. As an alternative, individuals may elect to receive Citigroup options rather than restricted stock for a portion of their respective awards. The options have comparable market value to the stock and vest equally over three years.

As of December 31, 2003 (excluding awards that vested in January 2004, but including awards made in January 2004), total holdings of restricted and deferred stock of Citigroup and the market value of such shares for the covered executives was:

Executive	Shares	Market Value
Catherine Birch	1,491.97	\$ 72,420
Sue Fowler Roberts	4,945.57	\$ 240,058
Yiannis Zographakis	5,205.52	\$ 252,676

The market price of Citigroup common stock at December 31, 2003 was \$48.54 per share.

(3) All options indicated in the table are options to purchase the common stock of Citigroup. The share numbers in this column have been adjusted to reflect equitable adjustments made to all Citigroup options outstanding on August 20, 2002 in respect of the distribution to all stockholders of shares of Travelers Property Casualty Corp. For each option grant, the number of options was increased by a factor of 1.0721990 and the exercise price was decreased by a factor

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of .9326627. The expiration and vesting dates of each option did not change.

- (4) Represents payments made to Mr. Zographakis, who is a resident non-citizen, to compensate him for the additional costs and expenses associated with working in a country other than his country of residence.
- (5) Ms. Birch's employment with the Corporation commenced in September 2001. Before September 2001, she was employed by an affiliate of the Corporation and her compensation was paid by that affiliate.
- (6) Effective January 23, 2004, Mr. Gorey left the Corporation to pursue other employment opportunities.
- (7) In the Corporation's proxy statement for the 2003 annual meeting, contributions equal to \$36,493 made to a pension plan during the year ended December 31, 2002 were included in both the "Other Compensation" column and the "Retirement plans" section. In accordance with Securities and Exchange Commission rules, this Proxy Statement reports "Other Compensation" for the fiscal year ended December 31, 2002 excluding such \$36,493 (which contribution is reflected in the "Retirement plans" section of this Proxy Statement).
- (8) In the Corporation's proxy statement for the 2002 annual meeting, contributions equal to \$6,093 made to a pension plan during the year ended December 31, 2001 were included in both the "Other Compensation" column and the "Retirement plans" section. In accordance with Securities and Exchange Commission rules, this Proxy Statement reports "Other Compensation" for the fiscal year ended December 31, 2001 excluding such \$6,093 (which contribution is reflected in the "Retirement plans" section of this Proxy Statement).

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**OPTION GRANTS IN LAST FISCAL YEAR**

Name	Number of Securities Underlying Citigroup Options Granted <sup>(1)</sup>	Percent of Total Citigroup Options Granted to Citigroup Employees in Fiscal Year <sup>(2)</sup>	Exercise Price (\$/share)	Expiration Date	Grant Date Present Value <sup>(3)</sup>
Catherine Birch	1,200	0.0%	\$ 49.50	1/20/2010	\$ 6,260
Sue Fowler Roberts	2,500	0.0%	\$ 49.50	1/20/2010	\$ 15,650
Yiannis Zographakis	3,000	0.0%	\$ 49.50	1/20/2010	\$ 18,780

- (1) The 2003 Citigroup options are options to purchase the common stock of Citigroup, and were granted to certain employees of the Corporation meeting specified criteria, based upon individual employee and corporate performance. The Citigroup options generally vest in three equal installments, with the first vesting occurring approximately 17 months after the date of award and the second and third vestings occurring on the two subsequent anniversaries of such vesting, and remain exercisable until the sixth anniversary of the grant. The sale of underlying shares acquired through the exercise of options are restricted for a two-year period. The per share exercise price of all options is the closing price on the New York Stock Exchange on the trading day before the option grant.
- (2) No individual listed above had more than 0.1% of the total Citigroup options granted to all employees of Citigroup and its subsidiaries. The Student Loan Corporation's employees received approximately 38,750 Citigroup options for 2003.
- (3) The Grant Date Present Value numbers set forth in the table above were derived by application of a variation of the Black-Scholes option pricing model. The following assumptions were used in employing such model:

stock price volatility was calculated by using the closing price of Citigroup's common stock for a period of time prior to the date of grant equal to the estimated option life;

the risk-free interest rate for each option grant was the interpolated market yield on the date of grant on a Treasury bill with a term identical to the estimated option life, as reported by the Federal Reserve;

the dividend yield (based upon the actual annual dividend rate during 2003) was assumed to be constant over the life of the option; and

exercise of the Citigroup option was assumed to occur approximately three years and five months after the date of grant, based on an estimate of the respective average period between the grant date and exercise date.

The potential value of Citigroup options granted depends entirely upon a long-term increase in the market price of Citigroup's common stock; if the stock price does not increase, the Citigroup options would be worthless; if the stock price does increase, the increase will benefit all Citigroup Stockholders.

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**OPTION EXERCISES TABLE**

The following table shows the aggregate number of shares underlying options exercised in 2003 and the value at year-end of outstanding options, whether or not exercisable.

**AGGREGATED CITIGROUP OPTION EXERCISES IN LAST FISCAL YEAR AND  
FISCAL YEAR-END OPTION VALUE**

	Shares		Number of Securities Underlying		Value of Unexercised	
			Unexercised Citigroup Options at Fiscal Year End <sup>(1)</sup>		In-The-Money Citigroup Options at Fiscal Year End <sup>(2)</sup>	
	Acquired on Exercise	Value Realized	Exercisable	Unexercisable	Exercisable	Unexercisable
Catherine Birch	-0-	-0-	2,009	3,997	\$ 1,907	\$ 29,067
Steven Gorey	-0-	-0-	10,004	17,766	\$ 74,879	\$ 164,998
Sue Fowler Roberts	-0-	-0-	15,965	15,745	\$ 190,895	\$ 137,308
Yiannis Zographakis	-0-	-0-	29,628	13,864	\$ 636,708	\$ 114,458

- (1) The share numbers in these columns have been restated to reflect equitable adjustments made to all Citigroup options outstanding on August 20, 2002 in respect of the distribution to all stockholders of shares of Travelers Property Casualty Corp. Such adjustments are more fully detailed in footnote 3 to the summary compensation table above.
- (2) Value of Unexercised In-the-Money Options is the aggregate, calculated on a grant by grant basis, of the product of the number of unexercised options at the end of 2003 multiplied by the difference between the exercise price for the grant and the year-end market price, excluding grants for which the difference is equal to or less than zero. The market value of Citigroup's common stock on the New York Stock Exchange composite tape as of December 31, 2003 was \$48.54 per share.

#### ***Employment Agreements***

On April 23, 2003, the Corporation established a retention plan for Sue Fowler Roberts. Such retention plan provides for the payment of \$50,000 to Ms. Roberts on April 15 of each of 2004, 2005 and 2006, subject to her continued employment through each such date. Except as set forth above, none of the executive officers of the Corporation have any employment agreements with the Corporation.

#### ***Retirement plans***

#### ***Qualified Pension Plan***

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The Corporation's domestic employees are covered by the Citigroup pension plan. Prior to January 1, 2002, different formulas applied depending upon a given employee's specific employment history with Citigroup. Effective January 1, 2002, this plan provides a single benefit formula for most of the covered population. Employees become eligible to participate in the Citigroup pension plan after one year of service, and benefits under the Citigroup pension plan generally vest after 5 years of service. The normal form of benefit under the Citigroup pension plan is a joint and survivor annuity (payable over the life of the participant and spouse) for married participants, and a single life annuity (payable for the participant's life only) for single participants. Other forms of payment are also available.

The Citigroup cash balance benefit is expressed in the form of a hypothetical account balance. Benefit credits accrue annually at a rate between 1.5% and 6% of eligible compensation; the rate increases with age and service. Interest credits are applied annually to the prior year's balance; these credits are based on the yield on 30-year Treasury bonds. Although the normal form of the benefit is an annuity, the hypothetical account balance is also payable as a single lump sum.

Mr. Zographakis participates in a pension plan provided by an indirect wholly owned subsidiary of Citigroup located in Greece, where Mr. Zographakis is a citizen. The other named executives of the Corporation are covered as indicated above.

*Nonqualified Pension Plans*

Effective January 1, 2002, Citigroup's nonqualified pension programs no longer provide accruals for most employees covered by Citigroup's qualified pension plan. No further cash balance benefits will be accrued under these programs for most of the covered population. Prior to 2002, these nonqualified programs provided retirement benefits for compensation in excess of the Internal Revenue Code compensation limit (\$205,000 for 2004), or in respect of benefits accrued in excess of the Internal Revenue Code benefit limit (\$165,000 for 2004).

The estimated annual benefit provided in total by all plans described above, expressed in the form of a single life annuity, is as follows:

<u>Executive</u>	<u>Years of service</u>	<u>Estimated</u>
	<u>Through 2003</u>	<u>Annual Benefit</u>
Catherine Birch	3	\$ 41,565
Steven Gorey	5	\$ 49,876
Sue Fowler Roberts	5	\$ 27,337
Yiannis Zographakis	13	\$ 116,404

These estimates are based on the following assumptions:

The benefit is determined as of age 65 (or current age if older);

Covered compensation for each covered executive remains constant at 2004 levels;

Regulatory limits on compensation and benefits, and the Social Security Wage Base, remain constant at 2004 levels;

The interest credit rate for cash balance benefits for 2004 (5.3%) remains constant; and

The interest rate used to convert hypothetical account balances to annual annuities for 2004 (5.3%) remains constant.

In addition, Mr. Zographakis' benefits are denominated in Euros. Accordingly his estimated annual benefit was converted into U.S. Dollars using a ratio of 1.2595 Euros per U.S. Dollar as reported by Bloomberg L.P. for December 31, 2003.

***CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS***

The Corporation has engaged and expects to continue to engage in a variety of business arrangements with Citigroup and its affiliates. Management believes that these agreements and transactions are on terms no less favorable to the Corporation than those that could be obtained from unaffiliated third parties.

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Citibank, N.A., the beneficial owner of more than 5% of the Corporation's outstanding common stock, has made available to the Corporation credit facilities pursuant to which the Corporation may borrow up to \$25 billion for specified terms and at specified variable interest rates.<sup>1</sup> At December 31, 2003, the Corporation's outstanding borrowings under these facilities were approximately \$22.3 billion. During 2003, the Corporation incurred approximately \$369.2 million in interest and fees to Citibank, N.A. pursuant to these credit facilities.

At December 31, 2003, the Corporation had interest rate swap agreements with notional amounts of \$3 billion with an affiliate of Citigroup. Interest expense of approximately \$9.9 million was incurred in 2003 pursuant to these agreements.

Citigroup, which indirectly owns all of the stock of Citibank, N.A., and other banking corporations, has agreed that neither Citigroup nor any of its majority-owned subsidiaries (other than the Corporation) will engage

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<sup>1</sup> In August 2003, Citibank (New York State) merged with Citibank, N.A., and Citibank, N.A. succeeded Citibank (New York State) as the principal shareholder of the Corporation. At the effective date of the merger, Citibank, N.A. became a party to all intercompany agreements that the Corporation had previously entered into with Citibank (New York State). Citibank, N.A. succeeded to all of the rights and assumed all of the obligations of Citibank (New York State) under such intercompany agreements.

in the business of originating guaranteed student loans under the federal guaranteed student loan program or successor legislation or certain alternative student loans (collectively, covered student loans ). The agreement will not prevent Citigroup or its subsidiaries from acquiring any institution that is in the business of originating covered student loans, provided that Citigroup or its subsidiaries must cease or dispose of the business within a specified period. The agreement does not restrict Citigroup and its affiliates from acquiring, holding or servicing covered student loans. Currently, Citigroup and its subsidiaries (other than the Corporation) do not hold or service any material amount of covered student loans, and have no plans to engage in such business to any significant extent. In addition, the agreement contains no restrictions on any lending activity, other than originating covered student loans, by Citigroup and its affiliates. Citibank, N.A. and other bank subsidiaries of Citigroup are in the business of making personal loans, the proceeds of which may be used to finance educational costs and expenses.

The agreement also restricts the Corporation from engaging in certain business activities that would compete with other affiliates of Citigroup. The Corporation does not believe that the agreement imposes any material restrictions on its current or planned operations. The agreement currently runs through June 22, 2004.

Citigroup and its subsidiaries have licensed to the Corporation, for as long as the Corporation remains a direct or indirect majority-owned subsidiary of Citigroup, certain trade names and trademarks for use in the Corporation's business. In addition, Citibank, N.A. and certain of its bank affiliates currently allow the use of their mailing lists and provide other marketing arrangements to the Corporation, and the Corporation allows the use of its customer list by those affiliates during that same period.

The Corporation and Citibank, N.A. have agreed that Citibank, N.A. or its affiliates will perform certain other functions and services for the Corporation. These services include data processing, financial and regulatory reporting, financial systems, payroll and benefits administration, telecommunications, audit, payment processing, legal affairs and support staff. The Corporation incurred approximately \$15.4 million for the cost of those services provided by Citibank, N.A. and its affiliates in 2003. In addition, the Corporation has outsourced a substantial portion of its operations, including the servicing of its student loan portfolio, to Citibank USA, N.A. and other of its affiliates. The Corporation paid approximately \$30.9 million pursuant to these outsourcing arrangements in 2003.

Citibank, N.A. provides the Corporation's office facility and furniture in Pittsford, New York under a lease agreement that, during 2003, provided for annual payments of approximately \$1.5 million, which included the Corporation's allocable share of utilities and security expenses. The agreement expires in December 2013. The Corporation also pays for the Corporation's office facility and furniture in Stamford, Connecticut. There is no lease agreement for the Stamford, Connecticut office facility. During 2003, the Corporation paid \$0.3 million for use of the Stamford facility, which included the Corporation's allocable share of utilities, security and cafeteria expenses.

In order to comply with applicable banking laws, loans made under the Corporation's CitiAssist program are originated by Citibank, N.A. at the request of the Corporation and serviced by the Corporation. Expenses incurred by the Corporation in underwriting, disbursing and servicing CitiAssist loans for Citibank, N.A. are reflected in a service fee charged to Citibank, N.A. pursuant to an intercompany agreement. During 2003, Citibank, N.A. paid the Corporation approximately \$9.7 million in fees in connection with the agreement. CitiAssist loans are purchased by the Corporation at a premium shortly after the final disbursement is made. As of December 31, 2003, the Corporation's CitiAssist loan portfolio totaled \$2,774 million.

The Corporation is included in various income tax or franchise tax returns of groups including Citibank, N.A. and other affiliated companies. The Corporation and Citibank, N.A. have entered into an agreement providing for allocations of various tax payments. The agreement also provides that the Corporation will pay to Citibank, N.A. one-half of the tax benefit derived by the Corporation as a result of specified transactions related to the establishment of the Corporation in 1992. During 2003, the Corporation made tax payments (net of tax refunds) of approximately \$129.9 million to Citibank, N.A. pursuant to this agreement.





**CUMULATIVE TOTAL RETURN**

The following graph and table compare the annual changes in the Corporation's cumulative total return for the last five years with the cumulative total return of the S&P 500 index and of SLM Corporation. The graph and table show the value at year-end 2003 of \$100 invested at the closing price on December 31, 1999 in the Corporation's common stock, the S&P 500, and SLM Corporation common stock. The comparisons in this table are set forth in response to Securities and Exchange Commission disclosure requirements, and, therefore, are not intended to forecast or be indicative of future performance of the common stock.

**COMPARISON OF CUMULATIVE TOTAL RETURN AMONG  
THE STUDENT LOAN CORPORATION, THE S&P 500 AND  
SLM CORPORATION**

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
The Student Loan Corporation	\$ 100	\$ 116	\$ 183	\$ 229	\$ 351
S&P 500 Index	\$ 100	\$ 91	\$ 82	\$ 64	\$ 83
SLM Corporation	\$ 100	\$ 164	\$ 221	\$ 276	\$ 305

**PROPOSAL 2: STOCKHOLDER APPROVAL OF SELECTION OF INDEPENDENT AUDITORS**

The Audit Committee has selected KPMG LLP as the independent auditors of the Corporation for 2004. The appointment of this firm is proposed by the Audit Committee based, in part, on KPMG's review of and familiarity with the Corporation's business as part of its audit of Citigroup. KPMG has served as the independent auditor for the Corporation since it commenced operations in 1992, for Citibank, N.A. since 1964, for Citicorp since it commenced operations in 1968 and for Citigroup and its predecessors since 1969.

Representatives of KPMG are expected to be present at the Annual Meeting with the opportunity to make a statement and to be available to respond to questions regarding these or any other appropriate matters. Adoption of this proposal requires the affirmative vote of the holders of a majority of the votes cast at the meeting.

The Board of Directors recommends a vote FOR this proposal.

***Disclosure of Auditor Fees***

The following is a description of the fees billed to the Corporation by KPMG during the years ended December 31, 2003 and December 31, 2002:

***Audit Fees:*** Audit fees include fees paid by the Corporation to KPMG in connection with the annual audit of the Corporation's financial statements and KPMG's review of the Corporation's interim financial statements. Audit fees also include fees for services performed by KPMG that are closely related to the audit and in many cases could only be provided by our independent auditors. The aggregate fees billed to the Corporation by KPMG for audit services rendered to the Corporation for the years ended December 31, 2003 and December 31, 2002 totaled approximately \$210,000 and \$190,000, respectively.

***Audit-Related Fees:*** Audit-related services include internal control reviews not required by regulators, accounting policy compliance, securitization due diligence and related attestation services. The aggregate fees billed to the Corporation by KPMG for audit-related services rendered to the Corporation for the years ended December 31, 2003 and December 31, 2002 totaled approximately \$522,000 and \$408,000, respectively. The increase in audit related fees from 2002 to 2003 was due primarily to securitization due diligence as well as additional audit work performed by KPMG that was associated with the review of financial disclosures and compliance with the Sarbanes-Oxley Act of 2002.

***Tax Fees:*** Tax fees include corporate tax compliance, counsel and advisory services. The aggregate fees billed to the Corporation by KPMG for tax related services rendered to the Corporation for the years ended December 31, 2003 and December 31, 2002 totaled approximately \$38,750 and \$58,000, respectively.

***All Other Fees:*** No fees (other than those described above) were billed to the Corporation by KPMG for other services rendered to the Corporation during the years ended December 31, 2003 and 2002.

The fees earned by KPMG in 2003 and 2002 were for services contracted for prior to the Corporation's adoption of its policy prohibiting the engagement of its primary independent auditors for non-audit services. The Corporation has not engaged KPMG for any additional non-audit services other than those permitted under its policy unless such services were individually approved by the Corporation's Audit Committee.

***Approval of Independent Auditor Services and Fees***

The Corporation's Audit Committee has reviewed and approved all fees charged by the Corporation's independent auditors, and actively monitored the relationship between audit and non-audit services provided. The Audit Committee has concluded that the provision of services by KPMG was consistent with the maintenance of the external auditors' independence in the conduct of its auditing functions. Effective January 1, 2003, the Corporation adopted a policy that it would no longer engage its primary independent auditors for non-audit services other than audit-related services, as defined by the SEC, certain tax services, and other permissible non-audit services as specifically approved by the chair of the Audit Committee and presented to the full committee at its next regular meeting. The policy also includes limitations on the hiring of KPMG partners and other professionals to ensure that we satisfy the SEC's auditor independence rules.

Under the policy approved by the Audit Committee, the Audit Committee must pre-approve all services provided by the Corporation's independent auditors and fees charged. The Audit Committee will consider annually the provision of audit services and, if appropriate,

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pre-approve certain defined audit fees, audit-related fees, tax fees and other fees with specific dollar value limits for each category of service. During the year, the Audit Committee will periodically monitor the levels of KPMG fees against the pre-approved limits. The Audit Committee will also consider on a case by case basis and, if appropriate, approve specific engagements that are not otherwise pre-approved. Any proposed engagement that does not fit within the definition of a pre-approved service may be presented to the chair of the Audit Committee for approval and to the full Audit Committee at its next regular meeting.

Administration of the policy is centralized within, and monitored by, the Corporation's senior corporate financial management, which reports throughout the year to the Audit Committee.

### ***CORPORATE GOVERNANCE***

The Corporation aspires to the highest standards of ethical conduct: reporting results with accuracy and transparency; and maintaining full compliance with the laws, rules and regulations that govern the Corporation's business.

#### ***Corporate Governance Guidelines***

The Corporation's Corporate Governance Guidelines embody many of our long-standing practices and in 2002 incorporated new policies and procedures, which strengthened our long-standing commitment to best practices. The full text of the Guidelines as approved by the Board is set forth in Annex A to this proxy statement.

The Guidelines outline the composition, qualifications and responsibilities of the Board of Directors. The Guidelines require that at least three of the members of the Board be independent. As the Corporation is a controlled Corporation having 80% of its voting power held by Citibank, N.A., the New York Stock Exchange does not require the Corporation to have a majority of independent directors on the Board. A description of our independence criteria and our independence determinations are set forth below. The number of other public company boards on which a director may serve is subject to a case-by-case review by the Board, in order to ensure that each director is able to devote sufficient time to perform his or her duties as a director.

The Guidelines require that all members of the committees of the Board be independent. The Board and each committee have the power to hire and fire independent legal, financial or other advisors, as they may deem necessary, without consulting or obtaining the approval of any officer of the Corporation.

The Guidelines provide for executive sessions at each Board meeting. The responsibility for presiding at the executive sessions is rotated from meeting to meeting among the chairpersons of each Board committee.

Directors are expected to attend board meetings, meetings of the committees on which they serve and the annual meeting of stockholders. All directors attended the Corporation's 2003 annual meeting of stockholders.

Under the Guidelines, the Chairman of the Board, in consultation with the other directors, conducts an annual review of Board performance and the performance of each committee. Each committee is also required to conduct its own self-evaluation. The results of these evaluations are required to be reported to the Board. Directors have full and free access to senior management and other employees of the Corporation and are provided with an orientation program for new directors and access to continuing education programs. The Board reviews the compensation committee's report on the Chief Executive Officer's performance in order to ensure that the Chief Executive Officer is providing the best leadership for the Corporation in the long and short term. The Board also works with the compensation committee to evaluate potential successors to the Chief Executive Officer.

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If an outside director or an immediate family member of a director serves as a director, trustee or executive officer of a foundation, university or other non-profit organization and such entity receives contributions from the Corporation or its affiliates, such contributions will be reported to the Board. If the annual contributions exceed the greater of \$50,000 or 10% of the annual consolidated gross revenue of such entity, such contributions shall be given special consideration by the Board for purposes of making the independence determination with respect to the director.

If an outside director serves as an executive officer of a foundation, university, or other non-profit organization and such entity has received, within the preceding three years, annual contributions from the

Corporation or its affiliates that exceed the greater of \$1 million or 2% of the annual consolidated gross revenue of such entity, such contributions are required to be disclosed in the Corporation's proxy statement.

The Guidelines restrict certain financial transactions between the Corporation and senior management and their immediate families. Personal loans to directors and their immediate family members other than credit cards, charge cards, and overdraft checking privileges made on market terms in the ordinary course of business are prohibited. Also prohibited are personal loans to executive officers or their immediate family members, except for mortgage loans, home equity loans, consumer loans, credit cards, charge cards, and overdraft checking privileges.

The Guidelines prohibit investments by the Corporation or any member of senior management in a private entity in which a director is a principal or a publicly-traded entity in which a director owns or controls a 10% interest.

### *Director Independence*

The Board has adopted categorical standards to assist the Board in evaluating the independence of each of its directors. The standards describe various types of relationships that could potentially exist between a Board member and the Corporation and sets thresholds at which such relationships would be deemed to be material. Provided that no relationship or transaction exists that would disqualify a director under the categorical standards and no other relationships or transactions exist of a type not specifically mentioned in the standards that, in the Board's opinion, taking into account all facts and circumstances, would impair a director's ability to exercise his or her independent judgment, the Board will deem such person to be independent. Applying these categorical standards, which are intended to comply with the New York Stock Exchange corporate governance rules, and all other applicable laws, rules and regulations, the board has determined that each of the following directors is independent: Jill H. Fadule, Glenda B. Glover and Evelyn E. Handler. As the Corporation is a controlled corporation having 80% of its voting power held by Citibank, N.A., the corporate governance rules of the New York Stock Exchange do not require the Corporation to have a majority of independent directors on the Board. In accordance with the corporate governance rules of the New York Stock Exchange and our Corporate Governance Guidelines, the Corporation therefore does not have a majority of independent directors.

### *Categorical Standards*

#### *Relationships as Client*

Neither a Director nor any immediate family member shall have any personal loans from the Corporation, except for credit cards, charge cards and overdraft checking privileges made in the ordinary course of business and on substantially the same terms as those prevailing at the time for comparable transactions with non-affiliated persons. In addition, the Corporation or one of its affiliates may provide home mortgages and home improvement loans made in the ordinary course of business, of a type that is generally made available to the public, and is on market terms, or terms that are no more favorable than those offered to the general public, to Directors who are employees of the Corporation or its affiliates.

Any other financial services provided to a Director or any member of his/her immediate family by the Corporation must be made in the ordinary course of business on substantially the same terms as those prevailing at the time for comparable transactions with non-affiliated persons.

#### *Advisory and Consulting Arrangements*

Neither a Director nor any immediate family member of a Director shall:

Within the last three years, have received, directly or indirectly, from the Corporation any compensatory fees or benefits in an amount greater than \$100,000, other than (a) standard compensation arrangements



applicable to non-employee Directors generally; (b) compensation paid to Directors who are employees of the Corporation or (c) compensation paid to an immediate family member of a Director who is a non-executive employee of the Corporation.

In addition, no member of the Audit Committee, nor any immediate family member of such individual, nor any entity in which an Audit Committee member is a partner, member or executive officer shall:

Within the last three years, have received any payment for accounting, consulting, legal, investment banking or financial advisory services provided to the Corporation.

#### *Business Relationships*

All payments made by the Corporation to, and payments received by the Corporation from, a Director's primary business affiliation or the primary business affiliation of a family member of a Director must be made in the ordinary course of business and on substantially the same terms as those prevailing at the time for comparable transactions with non-affiliated persons.

In addition, the aggregate amount of payments by the Corporation and its affiliates to, and to the Corporation and its affiliates from, any company of which a Director is an executive officer or employee or where a family member of a Director is an executive officer, must not exceed the greater of \$1,000,000 or 2% of the consolidated gross revenues of the company receiving the payment.

All lending relationships, deposit relationships, or other banking relationships between the Corporation, on the one hand, and a Director's primary business affiliation or the primary business affiliation of an immediate family member of a Director, on the other hand, must be made in the ordinary course of business and on substantially the same terms as those prevailing at the time for comparable transactions with non-affiliated persons. Any extensions of credit by the Corporation or its subsidiaries to such entity or its subsidiaries must comply with applicable law, including Regulation O of the Federal Reserve and FDIC guidelines.

#### *Charitable Contributions*

Annual contributions to a foundation, university, or other non-profit organization ( Charitable Organization ) of which a Director or an immediate family member serves as a director, trustee or executive officer may not exceed the greater of \$50,000 or 10% of the annual consolidated gross revenue of the Charitable Organization.

#### *Employment/Affiliations*

An outside Director shall not:

- (i) be or have been an employee of the Corporation within the last three years;
- (ii) be part of, or within the past three years have been part of, an interlocking directorate in which an executive officer of the Corporation serves or has served on the compensation committee of a company that concurrently employs or employed the director; or

- (iii) be or have been affiliated with or employed by a present or former auditor of the Corporation within the five year period following the auditing relationship.

An outside Director may not have a family member who:

- (i) is an executive officer of the Corporation or has been within the last three years;
- (ii) is, or within the past three years has been part of an interlocking directorate in which an executive officer of the Corporation serves or has served on the compensation committee of a company that concurrently employs or employed such family member; or

- (iii) is or has been affiliated with or employed by a present or former auditor of the Corporation within the five year period following the auditing relationship.

No member of the Audit Committee shall be an affiliated person of the Corporation.

### *Definitions*

For purposes of these independence standards, (i) the term "family member" means any of the director's spouse, parents, children, brothers, sisters, mother- and father-in law, sons- and daughters-in-law, and brothers and sisters-in-law and anyone (other than domestic employees) who shares the Director's home, (ii) the term "immediate family members" of a Director includes the Director's spouse and other family members (including children) who share the Director's home or who are financially dependent on the Director, and (iii) the term "primary business affiliation" means an entity of which the Director is an officer, partner or employee or in which the Director owns directly or indirectly at least a 5% equity interest.

### *Communications with the Board of Directors*

Stockholders and other interested parties who wish to communicate with a member or members of the Board of Directors, including the non-management directors as a group, may do so by addressing their correspondence to the board member or members, c/o the Corporate Secretary, The Student Loan Corporation, 750 Washington Blvd., 9<sup>th</sup> Floor, Stamford, CT 06901. The board of directors has unanimously approved a process pursuant to which the office of the Corporate Secretary will review and forward correspondence to the appropriate person or persons for response.

### *Code of Ethics*

The Board has adopted a Code of Ethics for Financial Professionals governing the principal executive officer of the Corporation and all Corporation professionals serving in a finance, accounting, treasury, tax or investor relations role. A copy of the Code of Ethics is available on our website at [www.studentloan.com](http://www.studentloan.com). Click on Investors, then Board and Management and then Code of Ethics for Financial Professionals. It has also been filed as an exhibit to the Corporation's 2002 Annual Report on Form 10-K. The Corporation intends to disclose amendments to, or waivers from, the Code of Ethics, if any, on the Corporation's website.

### *Code of Conduct*

The Board has adopted a Code of Conduct which outlines the principles, policies and laws that govern the activities of the Corporation, and establishes guidelines for professional conduct in the workplace. The code of Conduct applies to directors as well as employees. Every employee is required to read and sign the Code of Conduct. A copy of the Code of Conduct is available on the Corporation's website at [www.studentloan.com](http://www.studentloan.com). Click on Investors, then Board and Management and then Code of Conduct.

### **OTHER MATTERS**

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The Corporation will bear the cost of solicitation of proxies. Proxies may be solicited by mail, personal interview or telephone. Directors, officers and regular employees of the Corporation may solicit proxies by such methods without additional compensation. Banks, brokerage houses and other institutions, nominees and fiduciaries will be requested to forward the soliciting material to their principals and to obtain authorizations for the execution of proxy cards and will, upon request, be reimbursed for reasonable expenses incurred. Employees of Georgeson & Co. Inc. will also solicit proxies at a fee of approximately \$20,000 plus out-of-pocket expenses.

As of the date of this Proxy Statement, the Corporation does not intend to present and has not been informed that any other person intends to present any business not specified in this Proxy Statement for action at the meeting. If any other matters come before the meeting, proxies will be voted on such matters in accordance with the judgment of the person or persons authorized to vote the proxies.

Only stockholders of record at the close of business (5:00 P.M., Eastern Time) on March 31, 2004 will be entitled to notice of and to vote at the meeting. Stockholders are urged to sign the enclosed proxy card, solicited on behalf of the Corporation's Board, and to return it promptly in the enclosed envelope. Proxies will be voted in accordance with stockholders' directions. Signing the proxy card does not affect a stockholder's right to vote in person at the meeting, and the proxy may be revoked prior to its exercise by appropriate notice to the Corporation prior to the convening of the meeting. If no directions are given, proxies will be voted for the election of directors and for the approval of the selection of independent auditors. On these matters, abstentions and broker non-votes are not considered votes cast.

Citibank, N.A., an indirect wholly owned subsidiary of Citigroup, which exercises sole voting power over a majority of the outstanding shares of common stock, has advised the Corporation that it intends to vote all such shares in favor of the election of the nominees named herein and the ratification of the Corporation's independent auditors. Because of the voting power of Citibank, N.A., the nominees are assured election and the ratification of independent auditors is assured passage.

Copies of the Corporation's 2003 Annual Report to Stockholders and Form 10-K may be obtained without charge by writing to the Corporation at 750 Washington Boulevard, Stamford, Connecticut 06901, Attention: Investor Relations, or by telephone request to (203) 975-6292.

***SUBMISSION OF STOCKHOLDER PROPOSALS FOR INCLUSION IN THE STUDENT LOAN CORPORATION'S 2005 PROXY STATEMENT***

In accordance with Rule 14a-8 of the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, the Corporation will accept proposals of stockholders for possible inclusion in the Corporation's 2005 Proxy Statement through the close of business on December 13, 2004.

In accordance with the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated under the Exchange Act, proxies solicited by the Board of Directors will confer discretionary voting authority with respect to any proposal raised at our 2005 Annual Meeting as to which the proponent has not notified us by February 27, 2005.

**THE STUDENT LOAN CORPORATION**

**CORPORATE GOVERNANCE GUIDELINES**

**as of April 12, 2004**

**Mission**

The Student Loan Corporation (the Corporation) aspires to the highest standards of ethical conduct; reporting results with accuracy and transparency; and maintaining full compliance with the laws, rules and regulations that govern the Corporation's business.

**Board of Directors**

The Board of Directors' primary responsibility is to provide effective governance over the Corporation's affairs for the benefit of its stockholders, and to balance the interests of its constituencies, including the educational institutions that it works with, its customers and employees. In all actions taken by the Board, the Directors are expected to exercise their sound business judgment in what they reasonably believe to be in the best interests of the Corporation. In discharging that obligation, absent evidence to the contrary, Directors may rely on the honesty and integrity of the Corporation's senior executives and its outside advisors and auditors.

**Number and Selection of Board Members**

The Board has the authority under the by-laws to set the number of Directors, with the flexibility to increase the number of members in order to accommodate the availability of an outstanding candidate or the Board's changing needs and circumstances. Independent Directors (as defined herein) shall be recommended to the Board of Directors by the Chairman for approval, after consultation by the Chairman with the Compensation Committee. All other Directors may be nominated from time to time by the majority shareholder of the Corporation and be recommended to the Board of Directors for approval. At each Annual Meeting, up to three members of the Board of Directors are elected by stockholders to serve for a three-year term.

**Independence and Qualification of Directors**

At least three of the members of the Board should be independent. The Corporation is not required to have a majority of Independent Directors since 80% of its shares of stock are held by its affiliate, Citibank, N.A. All such members of the Board meeting such criteria shall be referred to herein as Independent Directors. The number of other public company boards on which a Director may serve shall be subject to a case-by-case

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review by the Board, in order to ensure that each Director is able to devote sufficient time to perform his or her duties as a Director.

The Board has adopted the categorical standards set forth in the attached Exhibit A to assist the Board in making the independence determination. These categorical standards are intended to comply with the New York Stock Exchange ( NYSE ) corporate governance rules and any other applicable laws, rules and regulations regarding independence in effect from time to time. An outside Director shall qualify as independent for purposes of service on the Board of the Corporation and its committees if the Board has determined that the Director has no material relationship with the Corporation.

A Director shall be deemed to have no material relationship with the Corporation and will qualify as independent if (a) the Director meets the categorical standards set forth in Exhibit A attached to these

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Guidelines and (b) there exists any relationship or transaction of a type not specifically mentioned in Exhibit A then, taking into account all relevant facts and circumstances, the Board has determined that the existence of such other relationship or transaction is not material and would not impair the Director's exercise of independent judgment.

### **Qualifications for Director Candidates**

One of the Board's most important responsibilities is identifying, evaluating and selecting candidates for the Board of Directors. The Chairman of the Board reviews the qualifications of potential director candidates and makes recommendations to the whole Board, after consultation by the Chairman with the Compensation Committee. The factors considered by the Board in its review of potential candidates include:

Whether the candidate has exhibited behavior that indicates he or she is committed to the highest ethical standards.

Whether the candidate has had broad business, governmental, non-profit or professional experience that indicates that candidate will be able to make a significant and immediate contribution to the Board's discussion and decision-making.

Whether the candidate has special skills, expertise and background that adds to and complements the range of skills, expertise and background of the existing directors.

Whether the candidate has had a successful career that demonstrates the ability to make the kind of important and sensitive judgments that the Board is called upon to make.

Whether the candidate will effectively, consistently and appropriately take into account and balance the legitimate interests and concerns of the Corporation's stockholders and our other stakeholders in reaching decisions.

Whether the candidate will be able to devote sufficient time and energy to the performance of his or her duties as a director.

Application of these factors involves the exercise of judgment by the Board and cannot be measured in any mathematical or routine way.

### **Additional Board Service**

The number of other public company boards on which a Director may serve shall be subject to a case-by-case review by the Board, in order to ensure that each Director is able to devote sufficient time to perform his or her duties as a Director. Members of the Audit Committee may not serve on more than three public company audit committees, including the Audit Committee of the Corporation.

### **Interlocking Directorates**



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No inside Director or executive officer of the Corporation shall serve as a director of a Corporation where an outside Director of the Corporation is an executive officer.

### **Retirement from the Board**

Directors appointed to the Board may serve on the Board until the Annual Meeting of the Corporation next following their 72nd birthday, and may not be re-elected after reaching age 72, unless this requirement has been waived by the Board for a valid reason. This provision shall not be applicable to any Director who has been appointed to serve one or more terms as a member of the Board of the Directors prior to July 1, 2002.

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### **Evaluation of Board Performance/Term Limits**

The Chairman of the Board, in consultation with the other Directors, shall conduct an annual review of Board performance and Board committee performance. This review shall include an overview of the talent base of the Board as a whole as well as an individual assessment of each Director's skills, areas of expertise, qualification as independent under the NYSE corporate governance rules and any other applicable laws, rules and regulations, consideration of any changes in a Director's responsibilities that may have occurred since the Director was first elected to the Board, and such other factors as may be determined to be appropriate for review. Each Committee shall conduct an annual evaluation of its own performance as provided in its charter. The results of the review of Board and Committee evaluations shall be summarized and presented to the Board. The Corporation has not adopted term limits for Directors.

### **Attendance at Meetings**

Directors are expected to attend the Corporation's Annual Meeting of Stockholders, Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Information and materials that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should be distributed to the Directors prior to the meeting, in order to provide time for review. The Chairman shall establish a calendar of standard agenda items to be discussed at each meeting scheduled to be held over the course of the ensuing year, and shall also establish the agenda for each Board meeting. Each Board member is free to suggest items for inclusion on the agenda or to raise subjects that are not on the agenda for that meeting. The non-management directors shall meet in executive session at each meeting without the Chief Executive Officer or any other Directors present. The responsibility for presiding at the executive sessions shall be rotated from meeting to meeting among the Chairs of each Board committee. The rotational nature of this responsibility shall be disclosed in the Corporation's annual proxy statement.

### **Annual Strategic Review**

The Board shall review the Corporation's strategic plans and the principal issues that it expects the Corporation may face in the future during at least one Board meeting each year.

### **Communications**

The Board believes that the senior management speaks for the Corporation. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Corporation, subject, however, to receipt of prior approval from a majority of Board members.

### **Board Committees**

The standing committees of the Board are the Audit Committee and the Compensation Committee. All members of these committees shall meet the independence criteria, as determined by the Board, set forth in the NYSE listing standards, and any other applicable laws, rules or regulations regarding independence. The members of the Audit Committee and Compensation Committee, and the Chairs of such Committees, shall be appointed by the Board on the recommendation of the Chairman of the Board, and may be removed by the Board. Committee Chairs and members shall be rotated at the recommendation of the Chairman of the Board.

Each committee shall have its own written charter which shall comply with the applicable NYSE corporate governance rules, and other applicable laws, rules and regulations. The charters shall set forth the mission and responsibilities of the committees as well as qualifications for committee membership, procedures for committee member appointment and removal, committee structure and operations and reporting to the Board. The Audit Committee charter and the Compensation Committee charter shall be approved and adopted by the Board.

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The Chair of each committee, in consultation with the committee members, shall determine the frequency and length of the committee meetings consistent with any requirements set forth in the committee's charter. The Chair of each committee, in consultation with the appropriate members of the committee and senior management, shall develop the committee's agenda. At the beginning of the year each committee shall establish a schedule of major topics to be discussed during the year (to the degree these can be foreseen). The agenda for each committee meeting shall be furnished to all Directors in advance of the meeting, and each independent director may attend any meeting of any committee, whether or not he or she is a member of that committee.

The Board and each committee shall have the power to hire and fire independent legal, financial or other advisors, as they may deem necessary for Board purposes or for any committee purpose, without consulting or obtaining the approval of senior management of the Corporation in advance; however, each committee must provide notice to the Chairman of the Board of any retained services.

The Board may establish or maintain additional committees as necessary or appropriate.

#### **Director Access to Senior Management**

Directors shall have full and free access to senior management and other employees of the Corporation. Any meetings or contacts that a Director wishes to initiate may be arranged through the Chief Executive Officer or the Secretary or directly by the Director. The Board welcomes regular attendance at each Board meeting by senior management of the Corporation. If the Chief Executive Officer wishes to have additional Corporation personnel attendees on a regular basis, this suggestion should be brought to the Board for approval.

#### **Director Compensation**

The form and amount of director compensation is determined by the Board based upon the recommendation of the Chairman of the Board. This recommendation shall be based on an annual review of director compensation of companies of similar size and market capitalization. Directors who are employees of the Corporation or any of its subsidiaries or affiliates shall not receive any compensation for their services as Directors. Directors who are not employees of the Corporation or any of its subsidiaries or affiliates shall not enter into any consulting arrangements with the Corporation nor its competitors. Directors who serve on the Audit Committee shall not directly or indirectly provide or receive compensation for providing accounting, consulting, legal, investment banking or financial advisory services to the Corporation.

#### **Charitable Contributions**

If an outside Director or an immediate family member of an outside Director serves as a director, trustee or executive officer of a foundation, university or other non-profit organization ( Charitable Organization ) and such Charitable Organization receives contributions from the Corporation, such contributions will be reported to the Board. If the annual contributions exceed the greater of \$50,000 or 10% of the annual consolidated gross revenue of the Charitable Organization, such contributions shall be given special consideration by the Board for purposes of making the independence determination with respect to the Director.

If an outside Director serves as an executive officer of a Charitable Organization and such Charitable Organization has received within the preceding three years, annual contributions from the Corporation that exceed the greater of \$1 million or 2% of the annual consolidated gross revenue of the Charitable Organization, such contributions are required to be disclosed in the Corporation's proxy statement.

**Director Orientation and Continuing Education**

The Corporation shall provide an orientation program for new Directors. Attendance by new Directors at such orientation programs shall be mandatory. The Corporation shall also provide continuing education programs

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for all members of the Board from time to time. These programs shall include presentations by senior management on the Corporation's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Conduct, its management structure and executive officers and its internal and independent auditors. The orientation program may also include visits to certain of the Corporation's significant facilities, to the extent practical, or to industry sales conferences. All Directors are invited to participate in the orientation and continuing education programs.

#### **Chief Executive Officer and Senior Officer Performance**

The Compensation Committee shall conduct an annual review of the Chief Executive Officer's performance, as well as the performance of all other senior officers, as set forth in its charter. The Board of Directors shall review the Compensation Committee's report in order to ensure that the Chief Executive Officer is providing the best leadership for the Corporation in the long and short term.

#### **Succession Planning**

The Compensation Committee shall make an annual report to the Board on succession planning. The Chairman shall meet periodically with the Compensation Committee in order to make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals. Candidates for the role of successor to the Chief Executive Officer shall be nominated by the Chairman and reviewed by the Compensation Committee prior to succession.

#### **Code of Conduct and Code of Ethics**

The Corporation has adopted a Code of Conduct, Code of Ethics for Financial Professionals and other internal policies and guidelines designed to support the mission statement set forth above and to comply with the laws, rules and regulations that govern the Corporation's business operations. The Code of Conduct applies to all employees of the Corporation, as well as to directors, temporary workers and other independent contractors and consultants when engaged by or otherwise representing the Corporation and its interests. In addition, the Corporation has adopted a Code of Ethics for Financial Professionals which applies to the principal executive officers of the Corporation and all professionals serving the Corporation in a finance, accounting, treasury, tax or investor relations role. The Audit Committee shall monitor compliance with the Code of Conduct, Code of Ethics for Financial Professionals and other internal policies and guidelines.

#### **Insider Transactions**

The Corporation prohibits purchases of Corporation stock by the Corporation from employees. Directors and executive officers of the Corporation shall comply in all respects with the terms of the Corporation's Personal Trading Policy.

#### **Stock Options**

The Corporation prohibits the repricing of any stock options offered to its employees.

**Transactions with Directors**

To the extent transactions, including brokerage services, banking services, insurance services and other financial services, between the Corporation and any Director or family member of a Director are not otherwise specifically prohibited under these Corporate Governance Guidelines or other policies of the Corporation, such transactions shall be made in the ordinary course of business and on substantially the same terms as those prevailing at the time for comparable transactions with non-affiliates.

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### **Loans to Directors and Executive Officers**

The Corporation shall not make any personal loans to Directors or to immediate family members of Directors. The only exceptions shall be for credit cards, charge cards and overdraft checking privileges made in the ordinary course of business of the Corporation or one of its affiliates, of a type that is generally made available to the public, and is on market terms, or terms that are no more favorable than those offered to the general public. In addition, the Corporation or one of its affiliates may provide home mortgages and home improvement loans made in the ordinary course of business, of a type that is generally made available to the public, and is on market terms, or terms that are no more favorable than those offered to the general public, to Directors who are employees of the Corporation or its affiliates.

### **Loans to Executive Officers**

The Corporation shall not make any personal loans to executive officers, or their immediate family members, except for mortgage loans, home equity loans, consumer loans, credit cards, charge cards, overdraft checking privileges and margin loans to employees of a broker dealer subsidiary of the Corporation or one of its affiliates made in the ordinary course of business of the Corporation or one of its affiliates, of a type that is generally made available to the public, and is on market term, or terms that are no more favorable than those offered to the general public.

### **Investments**

Neither the Corporation nor any member of senior management shall make any investment in a partnership or other privately-held entity in which a Director is a principal or in a publicly-traded company in which a Director directly owns or controls more than a 10% interest.

No Director may invest in a third party entity when the investment opportunity is made available to him or her because of such individual's status as a Director. A Director or family member of a Director may participate in investment opportunities offered or sponsored by the Corporation provided they are offered on substantially similar terms as those for comparable transactions with similarly situated non-affiliated persons.

No Director or family member of a Director shall receive an IPO allocation.

Members of senior management may not invest in partnerships or other investment opportunities sponsored, or otherwise made available, by the Corporation, unless their participation is approved in advance by the Board. Such approval shall not be required if the investment opportunity is offered to other qualified employees and investment by senior management is approved by the Board; or is offered to senior management on the same terms as those offered to qualified persons who are not employees of the Corporation. Comparable principles shall apply to Directors and their family members who may be given the opportunity to invest in an employee program.

No member of senior management may invest in a third party entity, except for investments permitted by the foregoing paragraph, when the investment opportunity is made available to him or her as a result of such individual's status as a member of senior management of the Corporation.



**Indemnification**

The Corporation provides reasonable directors and officers liability insurance for the Directors and shall indemnify the Directors to the fullest extent permitted by law and the Corporation's certificate of incorporation and by-laws.

**Amendments**

The Board may amend these Corporate Governance Guidelines, or grant waivers in exceptional circumstances, provided that any such modification or waiver may not be a violation of any applicable law, rule or regulation and further provided that any such modification or waiver is appropriately disclosed.

**Exhibit A To Corporate Governance Guidelines**

**Director Independence Standards**

**as of April 12, 2004**

An outside Director shall qualify as independent for purposes of service on the Board of The Student Loan Corporation (the Corporation) and its Committees if the Board has determined that the Director has no material relationship with the Corporation. These Director Independence Standards have been drafted to incorporate the independence requirements under applicable laws, rules and regulations in order to provide guidance to the Board in making independence determinations, and are intended to supplement the provisions contained in the Corporation's Corporate Governance Guidelines. A fundamental premise of the Standards is that any permitted transactions between the Corporation and a Director or his/her family or their respective primary business affiliations shall be on arms-length, market terms.

***Relationships as Client***

Neither a Director nor any immediate family member shall have any personal loans from the Corporation, except for credit cards, charge cards and overdraft checking privileges made in the ordinary course of business and on substantially the same terms as those prevailing at the time for comparable transactions with non-affiliated persons. In addition, the Corporation or one of its affiliates may provide home mortgages and home improvement loans made in the ordinary course of business, of a type that is generally made available to the public, and is on market terms, or terms that are no more favorable than those offered to the general public, to Directors who are employees of the Corporation or its affiliates.

Any other financial services provided to a Director or any member of his/her immediate family by the Corporation must be made in the ordinary course of business on substantially the same terms as those prevailing at the time for comparable transactions with non-affiliated persons.

***Advisory and Consulting Arrangements***

Neither a Director nor any immediate family member of a Director shall:

Within the last three years, have received, directly or indirectly, from the Corporation any compensatory fees or benefits in an amount greater than \$100,000, other than (a) standard compensation arrangements applicable to non-employee Directors generally; (b) compensation paid to Directors who are employees of the Corporation or (c) compensation paid to an immediate family member of a Director who is a non-executive employee of the Corporation.

In addition, no member of the Audit Committee, nor any immediate family member of such individual, nor any entity in which an Audit and Risk Management Committee member is a partner, member or executive officer shall:

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Within the last three years, have received any payment for accounting, consulting, legal, investment banking or financial advisory services provided to the Corporation.

### ***Business Relationships***

All payments made by the Corporation to, and payments received by the Corporation from, a Director's primary business affiliation or the primary business affiliation of a family member of a Director must be made in the ordinary course of business and on substantially the same terms as those prevailing at the time for comparable transactions with non-affiliated persons.

In addition, the aggregate amount of payments by the Corporation and its affiliates to, and to the Corporation and its affiliates from, any company of which a Director is an executive officer or employee or where a family member of a Director is an executive officer, must not exceed the greater of \$1,000,000 or 2% of the consolidated gross revenues of the company receiving the payment.

All lending relationships, deposit relationships, or other banking relationships between the Corporation, on the one hand, and a Director's primary business affiliation or the primary business affiliation of an immediate family member of a Director, on the other hand, must be made in the ordinary course of business and on substantially the same terms as those prevailing at the time for comparable transactions with non-affiliated persons. Any extensions of credit by the Corporation or its subsidiaries to such entity or its subsidiaries must comply with applicable law, including the Sarbanes-Oxley Act of 2002, Regulation O of the Federal Reserve and FDIC guidelines.

#### ***Charitable Contributions***

Annual contributions to a foundation, university, or other non-profit organization ( Charitable Organization ) of which a Director or an immediate family member serves as a director, trustee or executive officer may not exceed the greater of \$50,000 or 10% of the annual consolidated gross revenue of the Charitable Organization.

#### ***Employment/Affiliations***

An outside Director shall not:

- (i) be or have been an employee of the Corporation within the last three years;
- (ii) be part of, or within the past three years have been part of, an interlocking directorate in which an executive officer of The Student Loan Corporation serves or has served on the compensation committee of a company that concurrently employs or employed the Director; or
- (iii) be or have been affiliated with or employed by a present or former auditor of the Corporation within the five year period following the auditing relationship.

An outside Director may not have a family member who:

- (i) is an executive officer of The Student Loan Corporation or has been within the last three years;
- (ii) is, or within the past three years has been part of an interlocking directorate in which an executive officer of The Student Loan Corporation serves or has served on the compensation committee of a company that concurrently employs or employed such family member; or
- (iii) is or has been affiliated with or employed by a present or former auditor of The Student Loan Corporation within the five year period following the auditing relationship.

No member of the Audit Committee shall be an affiliated person of the Corporation.

*Other Transactions*

Relationships not specifically mentioned above, or transactions that may have taken place prior to the effective date of these independence standards, may, in the Board's judgment, and subject to any applicable law, rules or regulation, be deemed not to be material and the Director will be deemed independent if, after taking into account all relevant facts and circumstances, the Board determines that the existence of such relationship or transaction would not impair the Director's exercise of independent judgment.

*Definitions*

For purposes of these independence standards, (i) the term "family member" means any of the director's spouse, parents, children, brothers, sisters, mother- and father-in law, sons- and daughters-in-law, and brothers and sisters-in-law and anyone (other than domestic employees) who shares the Director's home, (ii) the term "immediate family members" of a Director includes the Director's spouse and other "family members" (including children) who share the Director's home or who are financially dependent on the Director, and (iii) the term "primary business affiliation" means an entity of which the Director is an officer, partner or employee or in which the Director owns directly or indirectly at least a 5% equity interest.

**THE STUDENT LOAN CORPORATION**

**AUDIT COMMITTEE CHARTER**

**as of April 12, 2004**

**Mission**

The Audit Committee of The Student Loan Corporation ( SLC ) is a standing committee of the Board of Directors ( Board ). The purpose of the Committee is to assist the Board in fulfilling its oversight responsibility relating to (i) the integrity of SLC s financial statements and financial reporting process and SLC s systems of internal accounting and financial controls; (ii) the performance of the internal audit function Audit and Risk Review (ARR); (iii) the annual independent audit of SLC s financial statements, the engagement of the independent auditors and the evaluation of the independent auditors qualifications, independence and performance; (iv) policy standards and guidelines for risk assessment and risk management; (v) the compliance by SLC with legal and regulatory requirements, including SLC s disclosure controls and procedures; and (vi) the fulfillment of the other responsibilities set out herein. The Committee shall also prepare the report of the Committee required by the rules of the Securities and Exchange Commission to be included in SLC s annual proxy statement.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that SLC s financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of management and the independent auditors.

**Membership**

The Audit Committee shall be comprised of at least three members of the Board, and the members shall meet the independence, experience, and expertise requirements of the New York Stock Exchange and other applicable laws and regulations (including the Sarbanes-Oxley Act of 2002).

At least one member of the Audit Committee will be a financial expert as defined by the Securities and Exchange Commission.

The members of the Audit Committee and the Audit Committee Chair shall be appointed by the Board on the recommendation of the Chairman of the Board. Audit Committee members may be replaced by the Board with new members, provided such new members satisfy the membership requirements. The Committee Chair shall be rotated periodically, at the recommendation of the Chairman of the Board.

**Authority**

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The Audit Committee shall have the sole authority to select, evaluate, appoint, and replace the independent auditors (subject to stockholder ratification) and shall approve in advance all audit engagement fees and terms and all audit-related, tax and other engagements with the independent auditors. The Audit Committee shall consult with management, but shall not delegate these responsibilities.

The Audit Committee shall have the authority, to the extent it deems necessary or appropriate, to retain special legal, accounting, or other consultants to advise the Committee. SLC shall provide funding, as determined by the Audit Committee, for payment of compensation to the independent auditors, any advisors employed by the Audit Committee and ordinary administrative expenses of the Committee.

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### **Duties and Responsibilities**

The Committee shall have the following duties and responsibilities:

#### ***Meetings and Access***

Meet as often as it determines, but not less frequently than quarterly.

Meet separately, periodically, with management, internal auditors, and independent auditors.

Regularly report to the Board on the Committee's activities.

Annually review and evaluate its own performance.

Review and assess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

#### ***Financial Statement and Disclosure Matters***

Review and discuss with management and the independent auditors the annual audited financial statements, including disclosures made in Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A), and recommend to the Board whether the audited financial statements should be included in SLC's Form 10-K.

Review and discuss with management and the independent auditors SLC's quarterly financial statements, prior to the filing of its Form 10-Q, including disclosures made in MD&A and the results of the independent auditors' reviews of the quarterly financial statements.

Discuss generally SLC's earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies. The Committee need not discuss in advance each earnings release or each instance in which SLC may provide earnings guidance.

Receive a disclosure from the Chief Executive Officer and Chief Financial Officer during their certification process for the 10-K and 10-Q's about (1) any significant deficiencies in design or operation of internal controls or material weaknesses therein and (2) any fraud, whether or not material, involving management or other employees who have a significant role in SLC's internal controls.

Receive and discuss reports from management on an annual and/or as needed basis.

Review and discuss periodically reports from the independent auditors on, among other things, certain:

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- (a) Critical accounting policies and practices to be used;
- (b) Alternative treatments of financial information within generally accepted accounting principles;
- (c) Other material written communications between the independent auditors and management, such as any management letter and SLC's response to such letter or schedule of unadjusted differences; and
- (d) Difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to requested information, any significant disagreements with management, and communications between the audit team and the audit firm's national office with respect to difficult auditing or accounting issues presented by the engagement.

Review and discuss with management and the independent auditors, at least annually:

- (a) Developments and issues with respect to reserves.
- (b) Regulatory and accounting initiatives, as well as off-balance sheet structures, and their effect on SLC's financial statements; and

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- (c) Accounting policies used in the preparation of SLC's financial statements (specifically those policies for which management is required to exercise discretion or judgment regarding the implementation thereof).

Review with management its evaluation of SLC's internal control structure and procedures for financial reporting and review periodically, but in no event less frequently than quarterly, management's conclusions about the efficacy of such internal controls and procedures, including any significant deficiencies in, or material non-compliance with such controls and procedures.

Annually review and discuss with management and the independent auditors (1) management's assessment of the effectiveness of SLC's internal control structure and procedures for financial reporting, and (2) the independent auditors' attestation to, and report on, management's control assessment, each as required under Section 404 of the Sarbanes-Oxley Act of 2002.

Discuss with management SLC's major credit, market, liquidity and operational risk exposures and the steps management has taken to monitor and control such exposures, including SLC's risk assessment and risk management policies.

Establish procedures for the receipt, retention, and treatment of complaints received by SLC regarding accounting, internal accounting controls, or auditing matters, and the confidential, anonymous submission by employees of SLC of concerns regarding questionable accounting or auditing matters.

#### *Oversight of SLC's Relationship with the Independent Auditors*

Receive and discuss a report from the independent auditors at least annually regarding:

- (a) The independent auditors' internal quality-control procedures;
- (b) Any material issues raised by the most recent quality-control review, or peer review (if applicable), of the independent auditors, or by any inquiry or investigation by governmental professional authorities within the preceding five years respecting one or more independent audits carried out by the independent auditors;
- (c) Any steps taken to deal with any such issues;
- (d) All relationships between the independent auditors and SLC, in order to assess the independent auditors' independence; and
- (e) Key staffing and lead audit partner rotation plans.

Approve guidelines for the retention of the independent auditors for any non-audit services and determine procedures for the approval of audit and non-audit services in advance. In accordance with such procedures, the Committee shall approve in advance any audit or non-audit services provided to SLC by the independent auditors, all as required by applicable law or listing standards. Preapproval authority may be delegated to one or more members of the Committee.

Review and discuss the scope and plan of the independent audit.

Evaluate the qualifications, performance and independence of the independent auditors, including whether the provision of non-audit services is compatible with maintaining the auditors' independence, and taking into account the opinions of management and ARR.

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This shall include a review and discussion of the annual communication as to independence delivered by the independent auditors (Independence Standards Board Standard No. 1 Independence Discussions with Audit Committees. ) The Committee shall present its conclusions to the Board, and if so determined by the Committee, recommend that the Board take additional action to satisfy itself of the qualifications, performance and independence of the auditors.

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Recommend to the Board policies for SLC's hiring of employees or former employees of the independent auditors.

***Oversight of Audit and Risk Review (ARR)***

Review and approve the appointment and replacement of the Chief Auditor who shall report directly to the Committee.

Review and discuss the ARR findings that have been reported to management, management's responses, and the progress of the related corrective action plans.

Review and evaluate the adequacy of the work performed by the Chief Auditor and ARR, and ensure that ARR is independent and has adequate resources to fulfill its duties, including implementation of the annual audit plan.

***Compliance Oversight Responsibilities***

Review periodically with management, including the General Counsel, and the independent auditors any correspondence with, or other action by, regulators or governmental agencies, any material legal affairs of SLC and SLC's compliance with applicable law and listing standards.

Review and discuss the report of the Chief Auditor regarding the expenses of, the perquisites paid to, and the conflicts of interest, if any, of members of SLC's senior management.

Receive and discuss reports from management on an annual and/or as needed basis relating to: compliance at SLC (including anti-money laundering, regulatory and fiduciary compliance); significant reported ethics violations; compliance with FDICIA internal control and compliance reporting requirements; business resumption and contingency planning; tax developments and issues; fraud and operating losses; technology and information security; and SLC's insurance.

**THE STUDENT LOAN CORPORATION**

**COMPENSATION COMMITTEE CHARTER**

**as of April 12, 2004**

**Mission**

The Compensation Committee (the Committee) is responsible for reviewing and recommending to the Board the compensation structure for senior management, in accordance with guidelines established by the Committee from time to time. The Committee will produce an annual report on executive compensation for inclusion in the Corporation's proxy statement. Further, the Committee approves broad-based and special compensation plans across the Corporation.

Additionally, the Committee will regularly review the Corporation's management resources, succession planning and development activities, as well as the performance of senior management.

**Membership**

The Committee shall consist of at least three members of the Board of Directors each of whom shall (a) meet the independence requirements of the New York Stock Exchange corporate governance rules and all other applicable laws, rules and regulations governing independence, as determined by the Board; (b) qualify as non-employee directors as defined under Section 16 of the Securities Exchange Act; and (c) qualify as outside directors under Section 162(m) of the Internal Revenue Code.

The members of the Compensation Committee and the Compensation Committee Chair shall be appointed by the Board at the recommendation of the Chairman of the Board, and may be removed by the Board.

**Duties and Responsibilities**

The Committee shall have the following duties and responsibilities:

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Annually review and approve, for the Chief Executive Officer and senior management of the Corporation, base salary, incentive compensation and long-term incentive compensation, such as stock options.

Annually review and approve corporate goals and objectives relevant to Chief Executive Officer and senior management compensation, evaluate performance in light of these goals and objectives, and recommend to the Board the Chief Executive Officer's and senior managers' compensation based on this evaluation. In determining the compensation of the Chief Executive Officer and senior managers, the Committee will consider the Corporation's performance, the value of similar incentive awards to officers at comparable companies and the compensation packages given to senior managers in past years.

In consultation with and based upon the advice of outside counsel, monitor the disclosure and prepare an annual report on executive compensation for inclusion in the Corporation's proxy statement.

Review executive officer compensation for compliance with Section 16 of the Securities Exchange Act and Section 162(m) of the Internal Revenue Code, as each may be amended from time to time, and any other applicable laws, rules and regulations.

In consultation with the Chief Executive Officer and Chairman of the Board, conduct a talent and performance review of key senior management members in order to identify opportunities, performance

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gaps and next steps as part of the Committee's executive succession planning and development process. The purpose of this review is to ensure that future leaders of the Corporation are identified and developed as appropriate. The Committee shall report at least once a year to the Board on the Committee's executive succession planning process.

In consultation with the Board and the Chief Executive Officer, as part of its executive succession planning process, review and evaluate potential successors to the Chief Executive Officer. The Committee will provide an annual report to the Board on CEO succession.

Annually review employee compensation strategies, benefits and equity programs.

Review and approve senior management agreements, severance arrangements and change in control agreements and provisions when, and if appropriate, as well as any special supplemental benefits.

Annually review the Corporation's progress in meeting diversity goals with respect to the employee population.

Periodically assess the adequacy of its charter and recommend changes to the Board as needed.

Regularly report to the Board on the Committee's activities and report annually on assessment of the Committee performance and suggestions for improvement, at the Committee and Board level.

Obtain advice and assistance, as needed, from internal or external legal, accounting, search firms or other advisors, including the retention, termination and negotiation of terms and conditions of the assignment.

Review and evaluate candidates for independent directors of the Board, as requested by the Chairman of the Board from time to time.

Perform any other duties or responsibilities expressly delegated to the Committee by the Board from time to time.



**2004 PROXY**

**THE STUDENT LOAN CORPORATION**

**Annual Meeting of Stockholders May 13, 2004, 8:30 A.M. (Eastern Time),**

**The Rihga Royal Hotel**

**151 West 54<sup>th</sup> Street**

**New York, New York 10019**

**(212) 307-5000**

**INSTRUCTIONS To withhold authority to vote for any individual nominee,**

**write that nominee's name on the line provided below.**

Bill Beckmann, Dr. Glenda B. Glover and Yiannis Zographakis

Stock is NOT to be voted for the following nominee(s) for director:

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The undersigned appoints Yiannis Zographakis and Daniel P. McHugh, or any of them, proxies, each having power to substitute another person to vote all the stock of The Student Loan Corporation held of record by the undersigned on March 31, 2004 at the Annual Meeting of Stockholders of The Student Loan Corporation to be held on May 13, 2004 and at any adjournment thereof. The proxies have authority to vote such stock, as indicated on the reverse side hereof, (1) to elect directors and (2) to ratify the selection of Independent Auditors. The proxies are further authorized to vote such stock upon any other business that may properly come before the meeting or any adjournment thereof.

**Please indicate on the reverse side of this card how your stock is to be voted. Unless you otherwise indicate, this proxy will be voted FOR the election of directors and FOR the ratification of Independent Auditors.**

Please date and sign this proxy on the reverse side and return it promptly whether or not you expect to attend the meeting. You may, nevertheless, vote in person if you do attend.

**This Proxy is Solicited on Behalf of the Board of Directors**

**PROPOSALS OF THE BOARD OF DIRECTORS**

**The Directors Recommend a Vote FOR**

**I. Election of Directors**

**FOR**       **WITHHOLD\***       **ABSTAIN**

Nominees: Bill Beckmann, Dr. Glenda B. Glover, Yiannis Zographakis

**II. Ratification of Independent Auditors**

**FOR**       **AGAINST**       **ABSTAIN**

\* To withhold authority to vote for any individual nominee, mark this box AND write that nominee's name on the line provided on the reverse side of this card.

**This Proxy is Solicited on Behalf  
of the Board of Directors**

**Please Sign Here exactly as your name(s)  
appear(s) on the stock certificate.**

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Dated:

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When signing as attorney, executor, administrator, trustee or guardian, please give full title. Joint owners should each sign.

**Unless you otherwise indicate, this proxy will be voted FOR the election of directors and FOR the proposal on Independent Auditors.**

