OFFICE OF THE GENERAL TREASURER

STATE OF RHODE ISLAND

HOPE

RESOLVED, that shareholders of Navient Corporation (“Navient” or “the Company”) urge the Board of Directors to adopt a policy that when a financial performance metric is adjusted to exclude legal or compliance costs when evaluating performance for purposes of determining the amount or vesting of any senior executive compensation award, it provide an explanation of why the precise exclusion is warranted and a breakdown of the litigation costs. “Legal or compliance costs” are expenses or charges associated with any investigation, litigation or enforcement action, including legal fees; amounts paid in fines; penalties or damages; and, amounts paid in connection with monitoring required by any settlement or judgment of claims of the kind described above. “Incentive Compensation” is compensation paid pursuant to short-term and long-term incentive compensation plans and programs. The policy should be implemented in a way that does not violate any existing contractual obligation of the Company or the terms of any compensation or benefit plan.

SUPPORTING STATEMENT: The Company adjusts financial metrics when calculating progress on goals for purposes of awarding incentive compensation. We believe disclosure and transparency on the adjustments would enable shareholders to determine if the exclusions are appropriate and whether senior executives are being insulated from legal risks and incentivized to disregard litigation costs and related reputational damage.

Clarity on litigation expenses is of particular concern given the potential reputational, legal and regulatory risks the Company faces over its role in the nation's unsustainable and growing level of student loan debt.

As noted in Navient’s Form 10-K for the year ending December 31, 2018: “Since the CFPB filed its action against the Company in January of 2017, the Attorneys General of Illinois, Washington, Pennsylvania, Mississippi and California have filed separate actions alleging various violations of state and federal consumer protection laws”. Additionally, the company is facing a federal class action lawsuit as well as a consumer class action lawsuit.

Navient is unable to anticipate the timing of any resolution or the impact that these legal proceedings may have on the Company’s consolidated financial position, liquidity, results of operation or cash flows. As a result, it is not possible to estimate a range of potential exposure for amounts that may be payable in connection with these matters.

In Navient’s Notice of 2019 Annual Meeting of Shareholders and Proxy Statement the Company explains that the Company “…maintains an internal Incentive Compensation Plan Committee (the “ICP Committee”) that conducts an annual risk review and assessment of the various incentive compensation plans covering our employees—including plans that cover our named executive officers—to ensure that our employees are not incented to take inappropriate risks which could impact our financial position and controls, reputation and operations”.

We believe that investors would benefit from more transparency regarding the board’s decision to adjust performance metrics to exclude legal or compliance costs when evaluating performance for purposes of determining executive compensation.

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