

## **Corporate Governance Guidelines**

### **I. Introduction**

The Board of Directors (the “Board”) of The Goldman Sachs Group, Inc. (the “Company”), acting on the recommendation of its Corporate Governance and Nominating Committee, has adopted these corporate governance principles (the “Guidelines”) to promote the effective functioning of the Board and its committees, to promote the interests of shareholders, and to ensure a common set of expectations as to how the Board, its various committees, individual directors and management should perform their functions.

### **II. Board Composition and Size**

The members of the Board should collectively possess a broad range of skills, expertise, industry and other knowledge, and business and other experience useful to the effective oversight of the Company’s business. A majority of the Board shall consist of directors who the Board has determined are “independent” under the rules of the New York Stock Exchange, Inc. (an “Independent Director”).

It is the sense of the Board that, absent special circumstances, the Board should consist of no more than 15 members in order to facilitate its functioning.

### **III. Board Leadership Structure**

The Board shall be responsible for establishing and maintaining the most effective leadership structure for the Company. The Board shall select its chairman (the “Chairman”) and the Company’s chief executive officer (the “CEO”) in a way that it considers in the best interests of the Company. The Board does not have a policy on whether the role of Chairman and CEO should be separate or combined and, if it is to be separate, whether the Chairman should be selected from the Independent Directors or should be an employee of the Company. The Board has determined, however, that if the Chairman is not an Independent Director, then there should also be a “Lead Director” (with the powers and duties described below) who is an Independent Director.

The Board shall review its leadership structure at least annually. As part of this review, the Board shall evaluate:

- the leadership positions that the Company should maintain (e.g., Chairman, Lead Director, and CEO);
- the responsibilities of such positions; and
- the qualifications to hold such positions.

In conducting this review, the Board shall consider, among other things:

- the effectiveness of the policies, practices and people in place to help ensure strong, independent Board oversight;

- the Company's performance and the effect that a particular leadership structure may have on the Company's performance;
- the views of the Company's shareholders; and
- legislative and regulatory developments, the practices at other global companies, trends in governance, and other information and data on the topic of board leadership structure as it considers appropriate.

#### **IV. Selection of Directors**

*Nominations and Appointments.* The Board's Corporate Governance and Nominating Committee shall be responsible for identifying and recommending to the Board qualified candidates for Board membership, based primarily on the following criteria:

- Judgment, character, expertise, skills and knowledge useful to the oversight of the Company's business;
- Diversity of viewpoints, backgrounds, experiences, and other demographics;
- Business or other relevant experience; and
- The extent to which the interplay of the candidate's expertise, skills, knowledge and experience with that of other Board members will build a Board that is effective, collegial and responsive to the needs of the Company.

The Corporate Governance and Nominating Committee shall give appropriate consideration to candidates for Board membership nominated by shareholders in accordance with the Company's by-laws, and shall evaluate such candidates in the same manner as other candidates identified to the Committee. The Committee may use outside consultants to assist in identifying candidates. Members of the Corporate Governance and Nominating Committee discuss and evaluate possible candidates in detail prior to recommending them to the Board.

The Corporate Governance and Nominating Committee shall also be responsible for initially assessing whether a candidate would be an Independent Director. The Board, taking into consideration the recommendations of the Corporate Governance and Nominating Committee, shall be responsible for selecting the nominees for election to the Board by the shareholders and for appointing directors to the Board to fill vacancies, with primary emphasis on the criteria set forth above. The Board, taking into consideration the assessment of the Corporate Governance and Nominating Committee, shall also make a determination as to whether a nominee or appointee would be an Independent Director.

*Invitations.* The invitation to join the Board shall be extended by the Board via the Chairman and either the chairperson of the Corporate Governance and Nominating Committee or another independent director of the Company designated by the Chairman and the chairperson of the Corporate Governance and Nominating Committee.

#### **V. Continuation as a Director**

*Review of Continuation Based on Age.* A director shall tender such director's proposed retirement from the Board to the chairperson of the Corporate Governance and Nominating

Committee (or, in the case of the chairperson of the Corporate Governance and Nominating Committee, to the Chairman of the Board) no later than 3 months prior to the Annual Meeting of Shareholders of the Corporation that follows the director's 75<sup>th</sup> birthday. Such director shall then retire on the eve of such Annual Meeting unless the Board, upon the recommendation of the Corporate Governance and Nominating Committee, determines to request that the director continue to serve and the director is amenable to so serving. The Corporate Governance and Nominating Committee shall review the director's continuation on the Board, and recommend to the Board whether, in light of all the circumstances, the Board should accept such proposed retirement or request that the director continue to serve. In the event the director, at the request of the Board, continues to serve on the Board, such director shall communicate to the chairperson of the Corporate Governance and Nominating Committee (or, in the case of the chairperson of the Corporate Governance and Nominating Committee, to the Chairman of the Board), in advance of each subsequent annual determination by the Board of the nominees to be submitted to shareholders for election as directors at the Annual Meeting, an offer not to stand for re-election. The Board shall then determine whether to accept such director's offer.

*Resignation of the Company's Chairman or CEO.* A Chairman or CEO of the Company who resigns from that position shall tender to the chairperson of the Corporate Governance and Nominating Committee such Chairman or CEO's proposed resignation from the Board. The Corporate Governance and Nominating Committee shall review the director's continuation on the Board, and, in the case of a resignation tendered other than pursuant to Section 2.2 of the Company's By-Laws, recommend to the Board whether, in light of all the circumstances, the Board should accept such proposed resignation or request that the director continue to serve or, in the case of a resignation required to be tendered pursuant to Section 2.2 of the Company's By-Laws, to assess whether a significant reason for the director to remain as a director exists and recommend to the Board whether, in light of the existence or absence of such reason, the Board should accept such proposed resignation.

*Change In Job Responsibility.* Each time a director's principal occupation or business association changes substantially, the director shall tender such director's proposed resignation from the Board to the chairperson of the Corporate Governance and Nominating Committee (or, in the case of the chairperson of the Corporate Governance and Nominating Committee's occupation or association changing, to the Chairman of the Board). The Corporate Governance and Nominating Committee shall review the director's continuation on the Board, and recommend to the Board whether, in light of all the circumstances, the Board should accept such proposed resignation or request that the director continue to serve.

## **VI. The Committees of the Board**

The Board shall have at least four committees: the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee and the Risk Committee (the "Committees"). Each Committee shall have a written charter. The Board expects to accomplish a substantial amount of its work through the Committees. Each Committee shall report regularly to the Board summarizing the Committee's actions and any significant issues considered by the Committee. Such reporting shall not be required if all directors are present at the Committee meeting where such actions or issues are considered.

Each of the Audit Committee, the Compensation Committee, the Corporate Governance and Nominating Committee and the Risk Committee shall be composed of no fewer than three members. Each Committee member must satisfy the membership requirements set forth in the relevant Committee charter. A director may serve on more than one Committee.

The Corporate Governance and Nominating Committee shall be responsible for identifying Board members qualified to fill vacancies on any Committee and recommending that the Board appoint the identified member or members to the applicable Committee. The Board, taking into account the views of the Chairman, shall designate one member of each Committee as chairperson of such Committee. It is the sense of the Board and the Corporate Governance and Nominating Committee that consideration should be given to rotating members of the Committees periodically at about a six-year interval, but they do not believe that such a rotation should be mandated as a policy since there may be reasons at a given point in time to maintain an individual director's committee membership for a longer period.

## **VII. Board and Committee Meetings**

The Board shall have at least five meetings each year. Further meetings shall occur if called by the Board, the Chairman, the Lead Director, the chairperson of the Corporate Governance and Nominating Committee, any vice chairman of the Board, the CEO, a president, a chief operating officer or any two directors. The Board may act by unanimous written consent in lieu of a meeting.

Each Committee shall have the number of meetings provided for in its charter, with further meetings to occur (or action to be taken by unanimous written consent) when deemed necessary or desirable by the Committee or its chairperson.

The agenda for each Board meeting shall be established by the Chairman and CEO in consultation with the Lead Director, if any. Any Board member may suggest the inclusion of additional subjects on the agenda. The agenda for each Committee meeting shall be established by the Committee chairperson in consultation with appropriate members of the Committee and with management. Although management will seek to provide appropriate materials in advance of Board and Committee meetings, this will not always be consistent with the timing of transactions and the operations of the business, and in certain cases it may not be possible to circulate materials in advance of the meeting. Materials presented to the Board and Committee members should provide the information needed for the directors to make an informed judgment or engage in informed discussion.

At least annually, the Chairman and CEO shall issue to the other Board members a schedule of the foreseeable primary agenda subjects intended to be discussed by the Board, and each Committee's chairperson shall issue to the other Committee members a schedule of the foreseeable primary agenda subjects intended to be discussed by the Committee.

Unless a Committee expressly determines otherwise, the agenda, materials and minutes for each Committee meeting shall be available to all directors, and all directors shall be free to attend any Committee meeting. In addition, all directors, whether or not members of the Committee, shall be free to make suggestions to a Committee chairperson for additions to the agenda of his or her Committee or to request that an item from a Committee agenda be considered by the Board.

## **VIII. Executive Sessions and the Lead Director**

To ensure free and open discussion and communication among the Independent Directors, these directors shall meet in executive session at least twice a year with no members of management or non-Independent Directors present. Each Independent Director shall have the authority to call executive sessions.

If the Chairman is an Independent Director, then the Chairman should chair such meetings. If not, then the Independent Directors shall designate an Independent Director as the Lead Director, who shall have the powers and duties described below. The Independent Directors may designate a new Lead Director at any time. The Independent Directors have currently determined that the chairperson of the Corporate Governance and Nominating Committee shall be the Lead Director.

The Lead Director's powers or duties shall include:

- engaging with the Chairman and CEO and other Directors to identify matters for discussion at executive sessions of the Independent Directors;
- presiding at such executive sessions;
- advising the Chairman and CEO of decisions reached, and suggestions made, at such executive sessions;
- calling meetings of the Independent Directors;
- presiding at each Board meeting at which the Chairman is not present;
- reviewing and approving the agenda (including adding items to the agenda), schedule and materials for each Board and Corporate Governance and Nominating Committee meeting and executive session and reviewing the agenda and schedule for other Board Committee meetings;
- facilitating communication between the Independent Directors and the Chairman and CEO, including by presenting the Chairman and CEO's views, concerns and issues to the Independent Directors and reporting to the Chairman and CEO any views, concerns and issues of the Independent Directors;
- engaging with the Chairman and CEO between Board meetings and assist with informing or engaging with Independent Directors, as appropriate;
- overseeing the Board's governance processes, including Board evaluations, and other governance-related matters;
- leading the annual CEO evaluation;
- meeting directly with management and non-management employees of the firm; and
- if requested by major shareholders, being available for consultation and direct communication.

## **IX. Board Responsibilities**

The business and affairs of the Company are managed by or under the direction of the Board in accordance with Delaware law. The Board's responsibility is to provide direction and oversight. The Board establishes the strategic direction of the Company and oversees the performance of the Company's business and management. The management of the Company

is responsible for presenting strategic plans to the Board for review and approval and for implementing the Company's strategic direction. In performing their duties, the primary responsibility of the directors is to exercise their business judgment in the best interests of the Company, and they shall consider, among other things, the potential effect of any matter on the Company's reputation.

Certain specific corporate governance functions of the Board are set forth below:

1. *Management Succession.* The Board, acting through the Corporate Governance and Nominating Committee, shall review and concur in a management succession plan, developed by the CEO, to ensure a continuity in senior management. This plan, on which the CEO shall report at least annually, shall address:

- emergency CEO succession;
- CEO succession in the ordinary course of business; and
- succession for the other members of senior management. The plan shall include an assessment of senior management experience, performance, skills and planned career paths.

2. *Evaluating the CEO.* The Board, acting through the Corporate Governance and Nominating Committee and under the leadership of the Lead Director, shall annually conduct an evaluation of the performance of the CEO. The chairperson of the Corporate Governance and Nominating Committee shall communicate such evaluation to the CEO and the chairperson of the Compensation Committee.

3. *Reviewing and Approving Significant Transactions.* Board approval of a particular transaction may be appropriate because of several factors, including:

- legal or regulatory requirements,
- the materiality of the transaction to the Company's financial performance, risk profile or business,
- the terms of the transaction, or
- other factors, such as the entering into of a new line of business or a variation from the Company's strategic plan.

To the extent the Board determines it to be appropriate, the Board shall develop standards to be utilized by management in determining types of transactions that should be submitted to the Board for review and approval or notification.

4. *Director Compensation.* The Corporate Governance and Nominating Committee shall periodically review the form and amounts of director compensation and make recommendations to the Board with respect thereto. The Board shall set the form and amounts of director compensation, taking into account the recommendations of the Corporate Governance and Nominating Committee. The Board believes that the amount of director compensation should fairly reflect the contributions of the directors to the performance of the Company. Management shall at least annually prepare and provide to the chairperson of the

Corporate Governance and Nominating Committee a report on the director compensation policies and practices of the Company's principal competitors and other comparable companies. Only non-management directors shall receive compensation for services as a director. To create a direct linkage with corporate performance, the Board believes that a meaningful portion of the total compensation of non-management directors should be provided and held in common stock, restricted stock units, stock options or other types of equity-based compensation.

## **X. Expectations for Directors**

The Board has developed a number of specific expectations of directors to promote the discharge by the directors of their responsibilities and to promote the efficient conduct of the Board's business. It is understood that the independent directors are not full-time employees of the Company.

1. *Commitment and Attendance.* All directors should make every effort to attend meetings of the Board and the Committees of which they are members. Attendance by telephone or video conference may be used to facilitate a director's attendance.

2. *Participation in Meetings.* Each director should be sufficiently familiar with the business of the Company, including its financial statements and capital structure, and the risks and the competition it faces, to ensure active and effective participation in the deliberations of the Board and of each Committee on which he or she serves. Upon request, management shall make appropriate personnel available to answer any questions a director may have about any aspect of the Company's business. Directors should also review the materials provided by management and advisors in advance of the meetings of the Board and its Committees and should arrive prepared to discuss the issues presented.

3. *Loyalty and Ethics.* In their roles as directors, all directors owe a duty of loyalty to the Company. This duty of loyalty mandates that the best interests of the Company take precedence over any interest possessed by a director.

The Company has adopted a Code of Business Conduct and Ethics. Certain portions of the Code deal with activities of directors, particularly with respect to potential conflicts of interest, the taking of corporate opportunities for personal use, and transactions in the securities of the Company. Directors should be familiar with the Code's provisions in these areas and should consult with the Company's General Counsel in the event of any issues.

Directors are permitted to maintain brokerage or similar accounts with the Company's affiliates, purchase investment services, investment products, securities or similar products and services from the Company or its affiliates or invest in partnerships or funds sponsored or managed by the Company or its affiliates. All such accounts and services are provided on substantially the same terms and conditions as those prevailing at the time for similarly situated persons who are not directors of the Company.

4. *Non-employee Director Stock Ownership.* The Board believes that it is important for each director to have a financial stake in the Company to help align the director's interests with those of the Company's shareholders. To meet this objective, it is the policy of the Board that each director who is not an employee of the Company or its affiliates (a "Non-employee Director") must maintain beneficial ownership of at least 5,000 shares of the Company's common stock and/or fully vested restricted stock units at all times during his or her tenure on

the Board, provided that new Non-employee Directors will have up to two years of service on the Board to meet this ownership requirement.

5. *Other Directorships and Significant Activities.* The Company values the experience directors bring from other boards on which they serve and other activities in which they participate, but recognizes that those boards and activities may also present demands on a director's time and availability and may present conflicts or legal issues, including independence issues. Directors should advise the chairperson of the Corporate Governance and Nominating Committee, the Chairman and CEO before accepting membership on other boards of directors or any audit committee or other significant committee assignment on any other board of directors, or establishing other significant relationships with businesses, institutions, governmental units or regulatory entities, particularly those that may result in significant time commitments or a change in the director's relationship to the Company.

6. *Contact with Management and Employees.* All directors shall be free to contact the CEO at any time to discuss any aspect of the Company's business. Directors shall also have complete access to other employees of the Company. The Board expects that there will be frequent opportunities for directors to meet with the CEO and other members of management in Board and Committee meetings, or in other formal or informal settings.

Further, the Board encourages management to bring into Board meetings from time to time (or otherwise make available to Board members) individuals who can provide additional insight into the items being discussed because of personal involvement and substantial knowledge in those areas.

7. *Speaking on Behalf of the Company.* It is important that the Company speak to employees and outside constituencies with a single voice, and that management serve as the primary spokesperson. If a situation does arise in which it seems necessary for a Non-employee Director to speak on behalf of the Company to one of these constituencies, the director should consult with the CEO.

8. *Confidentiality.* The proceedings and deliberations of the Board and its committees shall be confidential. Each director shall maintain the confidentiality of information received in connection with his or her service as a director.

## **XI. Evaluating Board and Committee Performance**

The Board, acting through the Corporate Governance and Nominating Committee and under the oversight of the Lead Director, shall conduct an annual self-evaluation. Each Committee shall conduct an annual self-evaluation as provided for in its respective charter.

## **XII. Orientation and Continuing Education**

Management, working with the Board, shall provide an orientation process for new directors, including background material on the Company and its business. As appropriate, management shall prepare additional educational sessions for directors on matters relevant to the Company and its business.



### **XIII. Reliance on Management and Outside Advice**

In performing its functions the Board shall be entitled to rely on the advice, reports and opinions of management, counsel, accountants, auditors and other expert advisors. Except as otherwise provided in a charter of a Committee, the Board shall have the authority to select, retain, terminate and approve the fees and other retention terms of its outside advisors.

### **XIV. Board Communications**

Any person who wishes to communicate with any of the Company's directors, committee Chairs, Lead Director or with the Company's Independent Directors as a group, may mail correspondence to:

Secretary to the Board of Directors  
Executive Office, 41<sup>st</sup> Floor  
The Goldman Sachs Group, Inc.  
200 West Street  
New York, New York 10282

Communications also may be directed to the designated external contact for Board communications, as set forth in the Policy on Reporting of Concerns Regarding Accounting and Other Matters, which is available at <http://www.gs.com/shareholders>.