

## **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 (the “Governance 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 (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. 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’s Governance Committee shall review its leadership structure at least annually. As part of this review, the Governance Committee 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 Governance Committee 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, if any, 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 Governance 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, background, work and other experiences (including military service), and other demographics, such as race, gender, ethnicity, sexual orientation, culture and nationality;
- 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 Governance Committee welcomes candidates for Board membership recommended to the Committee by shareholders, 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 Governance Committee shall discuss and evaluate possible candidates in detail prior to recommending them to the Board.

The Governance 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 Governance 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 Governance 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 Lead Director (if any).

#### **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 Governance Committee (or, in the case of the chairperson of the Governance 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 Governance Committee, determines to request that the director continue to serve and the director is amenable to so serving. The Governance 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 Governance Committee (or, in the case of the chairperson of the Governance 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.* If the Chairman of the Board or the CEO (if he or she is a member of the Board) resigns from that position, he or she shall tender to the chairperson of the Governance Committee his or her proposed resignation from the Board. The Governance 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 Governance Committee (or, in the case of the chairperson of the Governance Committee, to the Chairman of the Board). The Governance 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 has established five committees: the Audit Committee, the Compensation Committee, the Governance Committee, the Public Responsibilities Committee and the Risk Committee (the "Committees"). Each Committee has 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 at which such actions or issues are considered or if individual directors not present are otherwise informed with respect to such actions or issues as appropriate.

Each 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 Governance 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 Independent Directors, taking

into account the views of the Chairman, shall recommend one member of each Committee as chairperson of such Committee. It is the sense of the Board and the Governance Committee that consideration should be given to rotating the chairpersons of the Committees periodically at about a six-year interval, but they do not believe that it is in the best interests of the Company to mandate rotation as a policy since there may be reasons at a given point in time to maintain a chair position 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 (if any) or as otherwise set forth in the Company's By-Laws. 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 Lead Director, if any, sets the agenda, working with the Chairman, for each Board meeting and shall approve the form and type of materials proposed to be provided to the Board for such meeting. 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 (as needed) and with management. The Committee chairperson shall also review and provide feedback on the form and type of materials proposed to be provided to the Committee for such meeting.

Unless a Committee expressly determines otherwise, the agenda, materials and minutes for each Committee meeting shall be available to all directors. 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. Further, all directors, whether or not members, shall be permitted to attend any Committee meeting, if invited by the Committee.

Management will provide appropriate materials in advance of Board and Committee meetings, however, in certain cases it may not be possible to circulate materials in advance of the meeting given timing and other considerations relating to the operation of the business. Materials presented to the Board and Committee members should provide the information needed for the directors to make informed judgments and/or engage in informed discussion.

At least annually, the Chairman 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.

## **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 four times 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 executive sessions. 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 Lead Director shall be the chairperson of the Governance Committee.

The Lead Director's powers or duties shall include:

- setting agenda for Board meetings, working with our Chairman (including adding items to and approving the agenda) and approving the form and type of related materials, as well as reviewing and concurring in the agendas for each Committee meeting;
- approving the schedule for Board and committee meetings;
- presiding at executive sessions of the Independent Directors;
- calling meetings of the Board, including meetings of the Independent Directors;
- presiding at each Board meeting at which the Chairman is not present;
- engaging with the Independent Directors and non-employee directors at and between Board and Committee meetings, including:
  - to identify matters for discussion, including for discussion at executive sessions of the Independent Directors,
  - to facilitate communication with the Chairman (as set forth below),
  - one-on-one engagement regarding the performance and functioning of the collective Board, individual director performance and other matters as appropriate;
- serving as an adviser to the Chairman, including by:
  - engaging with the Chairman between Board meetings,
  - facilitating communication between the Independent Directors and the Chairman, including by presenting the Chairman's views, concerns and issues to the Independent Directors as well as assisting with informing or engaging non-employee directors, as appropriate, and
  - raising to the Chairman views, concerns and issues of the Independent Directors, including decisions reached, and suggestions made, at executive sessions, in each case as appropriate;
- overseeing the Board's governance processes, including Board evaluations, succession planning and other governance-related matters;
- leading the annual CEO evaluation;

- meeting directly with management and non-management employees of the firm; and
- consulting and directly communicating with shareholders and other key constituents, as appropriate.

## **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; through its role in overseeing the Company's business and its management, the Board is responsible, alongside management, for setting the "tone at the top." The Board oversees and provides input to management on its efforts to ensure that the Company's cultural expectations are appropriately communicated and embraced throughout the organization.

The Board also oversees and provides advice and guidance on management's formulation and implementation of the Company's strategic plans. The Board is also responsible for overseeing the Company's risk management, which oversight is carried out at the Board as well as at each of its Committees, and in particular the Risk Committee.

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.

In addition, certain specific corporate governance functions of the Board are set forth below:

1. *Management Succession.* The Board, acting through the Governance Committee, shall review and concur in a management succession plan, developed by the CEO, to ensure 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 Governance Committee and under the leadership of the Lead Director, shall annually conduct an evaluation of the performance of the CEO. The chairperson of the Governance 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 assist in this review, the Board has developed 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 Governance 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 Governance 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 ensure that the chairperson of the Governance Committee is provided a report on the director compensation policies and practices of the Company's principal competitors and other comparable companies. Only non-employee 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-employee directors should be provided and held in common stock, restricted stock units, 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.

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. 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 the extent legally permissible, 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. *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 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 three years of service on the Board to meet this ownership requirement.

5. *Outside Activities.* The Company values the experience directors bring from other business associations, including boards on which they serve, and the other activities in which they participate, but recognizes that those activities may also present demands on a director's time and availability. Further, such activities may present conflicts or legal issues, including independence issues, that should be assessed. Directors should advise the chairperson of the Governance Committee and the Chairman before accepting a membership on other boards of directors, accepting membership on any audit committee or other significant committee assignment (such as a lead or presiding director role) on any other board of directors, or establishing or materially changing 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 Governance 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