

WHEREAS:

Income inequality is a growing problem in the United States. According to the U.S. Census Bureau, in 2010, 46.2 million Americans lived in poverty—including more than 1 out of every 5 American children. (<http://www.census.gov/hhes/www/poverty/data/incpovhlth/2010/highlights.html>) Many in America's once robust middle class are now struggling to make ends meet.

While the bottom 99 percent of Americans face increasingly tough times, the share of income going to the top 1 percent, especially the top 0.1 percent, continues to grow. An October 2011 report from the Congressional Budget Office found that in 1979, the top 1 percent received about the same share of income as the bottom 20 percent; in 2007 the top 1 percent received more income than the bottom 40 percent combined. (<http://www.cbo.gov/doc.cfm?index=12485>) According to the economist Joseph Stiglitz, the richest 1 percent of Americans now takes in nearly a quarter of our nation's income. (<http://www.vanityfair.com/society/features/2011/05/top-one-percent-201105>)

The compensation packages of Chief Executive Officers and other senior executives play a significant part in the growing income inequality in the United States. A 2010 working paper by professors at Williams College and Indiana University, entitled "Jobs and Income Growth of Top Earners and the Causes of Changing Income Inequality", found that executives, managers, supervisors, and financial professionals account for about 60 percent of the top 0.1 percent of income earners in recent years, and about 70 percent of the increase in the share of national income going to the top 0.1 percent. (<http://ideas.repec.org/p/wil/wileco/2010-24.html>)

Growing income inequality and the level of senior executive compensation at Goldman Sachs—the Company's named executive officers were each given \$18.6 million in total compensation for fiscal 2010, roughly 376 times the real median household income in 2010—combined with its perceived role in the 2008 financial crisis, has focused public ire on the Company. ([http://www.census.gov/newsroom/releases/archives/income\\_wealth/cb11-157.html](http://www.census.gov/newsroom/releases/archives/income_wealth/cb11-157.html)) The Occupy movement, with its focus on the inequalities between the extreme wealth of the top 1 percent and the struggles of the other 99 percent of society, held public hearings on Goldman Sachs and rallies outside of our Company's offices.

A Watson Wyatt survey conducted before the 2008 financial crisis found that 85 percent of institutional investors believed that the prevalent executive compensation system in the United States was damaging to Corporate America's image. A separate Watson Wyatt survey of 50 directors serving on corporate boards found that 61 percent believed that most executives were dramatically overpaid and 79 percent believed the executive pay model had damaged Corporate America's image. (<http://www.watsonwyatt.com/render.asp?catid=1&id=16180>)

RESOLVED: Shareholders request that a committee of independent directors of the Board assess how the Company is responding to risks, including reputational risks, associated with the high levels of senior executive compensation at our firm and report to shareholders (at reasonable cost and omitting proprietary information) by December 31, 2012.