

## Report of our Compensation Committee

The Compensation Committee is comprised of all of Goldman Sachs' Non-Employee Directors and operates pursuant to a written charter that was amended and restated in March 2010, and is available on the Goldman Sachs website at <http://www.gs.com/shareholders/corporate-governance/>. During fiscal 2009, the Committee met six times and also held four meetings in early 2010 to discuss fiscal 2009 compensation. In addition, individual members of the Committee met multiple times with senior management during the year, and Mr. Johnson, the Chair of the Committee, met frequently with one or more of the chairs of Goldman Sachs' internal compensation policy committee.

The Committee's primary purposes are to:

- determine and approve the compensation of the CEO and other executive officers;
- approve, or make recommendations to the Board for it to approve, Goldman Sachs' incentive compensation and equity-based plans;
- assist the Board in its oversight of the development, implementation and effectiveness of Goldman Sachs' policies and strategies relating to Goldman Sachs' human capital management function, including, but not limited to, those policies and strategies regarding recruiting, retention, career development and progression, management succession (other than that within the purview of the Corporate Governance and Nominating Committee), diversity and employment practices; and
- prepare this Report.

The Board determined, upon the recommendation of the Corporate Governance and Nominating Committee, that each member of the Committee is "independent" within the meaning of the rules of the NYSE. As required by the Compensation Committee's charter, no member of the Committee receives, directly or indirectly, any consulting, advisory or other compensatory fees that would be prohibited under the SEC's audit committee independence standards.

Pursuant to the Committee's Consultant Policy, the Committee continued to retain Semler Brossy Consulting Group LLC (Semler Brossy), an independent compensation consultant, to provide services solely to the Committee and not to the firm.

The Compensation Committee monitors the performance, and regularly reviews the design and function, of Goldman Sachs' compensation program. The Committee has the responsibility, as set forth in its charter, to take all actions that it deems necessary and appropriate to help ensure that Goldman Sachs' incentive compensation programs are consistent with the safety and soundness of the firm. As part of this process, the Committee met with the firm's Chief Risk Officer in December 2009 to discuss risks and the incentive compensation program. Semler Brossy also participated in this review.

During fiscal 2009, the Committee performed all of its duties and responsibilities under the Compensation Committee's charter, including review of the Compensation Discussion and Analysis (CD&A), as prepared by management of Goldman Sachs, and discussion of the CD&A with management of Goldman Sachs. Semler Brossy also reviewed the CD&A. Based on the Committee's review and discussions, the Committee recommended to the Board that the CD&A be included in this Proxy Statement.

In March 2010, the Compensation Committee recommended that the Board amend the Committee's charter to update the Committee's responsibilities set forth therein and the Board accepted this recommendation.

### **Compensation Committee:**

James A. Johnson, Chair  
John H. Bryan  
Claes Dahlbäck  
Stephen Friedman  
William W. George  
Rajat K. Gupta  
Lois D. Juliber  
Lakshmi N. Mittal  
James J. Schiro  
Ruth J. Simmons