

# MINUTES

## **2013 Annual General Meeting CREDIT SUISSE GROUP AG**

Friday, April 26, 2013, 10:30-14:10, Hallenstadion, Zurich-Oerlikon

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**Urs Rohner**, Chairman of the Board of Directors ("**BoD**") of Credit Suisse Group AG ("**CSG**"), acted as chair pursuant to Art. 11 of the Articles of Association ("AoA"). He ascertained that the ordinary Annual General Meeting ("**AGM**") had been convened in due time and form by publication in the Swiss Official Gazette of Commerce ("**SHAB**") No. 63 dated April 3, 2013 and/or in the version in No. 66 as corrected by the SHAB dated April 8, 2013.

The shareholders had previously been given the opportunity to view the 2012 annual report, the 2012 financial statements, the Group's 2012 consolidated financial statements, and the audit reports at the Bank's headquarters pursuant to Art. 696, para. 1, of the Swiss Code of Obligations (SCO).

The BoD appointed Pierre Schreiber as secretary of this AGM. The following persons were also present: independent proxy Andreas Keller, attorney, elected by the BoD pursuant to Art. 689c SCO; Manfred Stöpfer, corporate proxy of CSG; and Anthony Anzevino, Mirko Liberto and Simon Ryder as representatives of the independent auditors, KPMG AG.

Based on Art. 11, para. 2 of the company's AoA, the following were elected in an open ballot as ballot counters: Arnold Huber (arbitrator), Valentin Bühler, Regula Hefti and Christoph Zahner.

The **Chairman** explained to the shareholders their powers under the law and the AoA, and informed them of other administrative provisions and issues. He ascertained hereafter that the AGM was correctly constituted and could thus validly pass resolutions concerning all agenda items.

<b>1 2012 Annual Report, Statutory Financial Statements for 2012, and Group's Consolidated Financial Statements for 2012</b>
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<b>1.1 Presentation of the 2012 Annual Report, Statutory Financial Statements for 2012, Group's Consolidated Financial Statements for 2012, and the 2012 Remuneration Report</b>
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In his address, the **Chairman** presented (*Appendix 1*) the bank's strategy, how it was implemented in 2012 and the strategic priorities for 2013. He also commented on the development of the Swiss financial center as a key success factor for Credit Suisse ("**CS**") and illustrated potential solutions to ensure future success. **Brady Dougan**, Chief Executive Officer, commented in his address (*Appendix 2*) on the performance and result in 2012, the implementation of the various strategic initiatives aimed at optimizing Credit Suisse's position in the changed economic and regulatory environment, and salient successes during the recently completed first quarter of 2013. In conclusion, the **Chairman** commented on the 2012 Remuneration Report and gave an explanation to shareholders of key points in the new remuneration system at CS, highlighting the advances and improvements achieved as compared to previous remuneration systems.

The secretary then announced the **number of shares represented** as per Art. 689e, SCO:

There were 1,708 shareholders or their representatives physically present in the hall. A total of 1,004,653,319 CSG AG registered shares were represented directly or indirectly at this AGM.

A summary of attendance and all results of votes and elections at this AGM can be found in *Appendix 3*.

**Speeches** were then made by the following:

#### **1 Speaker 1**

The **speaker**, representing Actares, praised the further progress achieved by CS in climate policy, especially regarding CO2 neutrality within the operational areas of the enterprise. He added that CS nevertheless had a great deal of ground to make up on climate policy in all other business areas. CS had compiled valuable analyses on this aspect in collaboration with the World Wildlife Fund (WWF), but plans to implement the acquired knowledge only extended to CS's real estate portfolio. However, it is important for CS to pursue a sustainable climate policy in all its business areas including, of course, advisory services and the financing of projects in climate-sensitive areas. CS also needed access to more knowledge and an improved overview of its direct and indirect exposures in climate-sensitive areas. He urged CS to define clear and ambitious climate objectives and also to advocate sustainable climate policy in the public domain and in federations, especially *economiesuisse*.

Mountain Top Removal ("**MTR**"), i.e. cutting away mountain tops to obtain coal by open-pit mining, the speaker explained, is particularly destructive to the environment. In its Corporate Citizenship Report, CS asserted that it is not financing any companies actively engaged in MTR. However, he pointed out, Actares had information according to which CS is financing Arch Coal, Inc., the second largest coal producer in the US.

Actares also continued to regard the absolute amounts of top salaries paid in 2012 as excessive, despite good performance by management. For this reason, Actares recommended shareholders to reject the Remuneration Report.

The **Chairman** emphasized CS's efforts to protect the climate, which focused not only on internal operational areas but on all the core areas of CS's business. For example, CS was recognized by Bloomberg as the best bank in terms of investment in clean energies. The Chairman assured the speaker that the principles of sustainable climate policy would also be defended in dealings with federations and the general public. Regarding the climate compatibility of business with clients, he noted the lack of broadly accepted methodology. Nevertheless, CS was taking part in discussions with the World Resources Institute (WRI) in order to arrive at appropriate solutions.

#### **2. Speaker 2**

The **speaker** impressively described how the MTR process is being driven ahead with total disregard for nature and the environment in the Appalachian Mountains in his home state; he also outlined the serious consequences of this process for human health, and the ensuing damage to biological diversity and the beauty of the countryside in this unique region. People living in the affected region were more susceptible to diseases, and their life expectancy was reduced due to the environmental impact of MTR. He was therefore very disappointed that CS in particular is financing companies actively engaged in MTR, although the bank gave an assurance in its Corporate Citizenship Report that it did not provide financial services for this type of mining. He called on CS to comply without exceptions to its principles regarding financing for MTR and, furthermore, to take on an active pioneering role in the fight against MTR mining.

**Tobias Guldemann**, Chief Risk Officer of CS, stressed that CS did not directly finance any companies actively engaged in MTR mining. He also pointed out to the speakers that CS had been awarded the top rating (A) for its commitment to the environment by two major NGOs in the US.

### **3. Speaker 3**

The **speaker**, representative of the Monetary Modernization Association, asked the Chairman whether he had read the 2012 Annual Report in its entirety and in which language; he also asked how thoroughly and successfully he had perceived corporate responsibility in the financial year, and what he understood by the terms "trust," "responsibility," "fairness," "sustainability" and "risk". He then wanted to know when employees are regarded as so-called "MRTCs." The speaker went on to criticize the CS Executive Board for its irresponsible approach to ethical values and its ignorance of modern monetary theory. Its compensation policy, he added, is excessive and inappropriate, and for these reasons he recommended those present to reject the Remuneration Report and the increase in contingent capital for employee shares.

The **Chairman** confirmed that he had read the Annual Report in both languages. Employees are classified as MRTCs (Material Risk Takers & Controllers) if their powers enable them to exert material influence on a company's risk profile. The extent and quality of corporate responsibility is virtually impossible to measure, he added; however, he and the management team set about their daily work with the conviction that they were managing the company responsibly and with the greatest diligence, in the interests of all stakeholders.

### **4 Speaker 4**

The **speaker** was in particular criticizing CS's compensation policy. The 2012 Remuneration Report clearly showed that the BoD and the Executive Board had learned nothing from the past. He therefore suggested that shareholders should support the 1:12 initiative proposed by the Young Socialists Switzerland (JuSo).

### **5. Speaker 5**

The **speaker** viewed the marginal voting power of those shareholders present in the hall as clear evidence that this AGM was meaningless. The increasing transfer of CSG AG shares into foreign hands was also likely due to the unsatisfactory performance of the CS management, headed by an American CEO. Even after the good first quarter, the speaker still had no trust in the CS management team. The constant decline in gross margin and the excessively high cost/income ratio were harbingers of worse to come. Instead of consistently curbing costs, CS is hawking its silverware abroad. Nor was the speaker satisfied with the compensation policy: total compensation for top management had increased more sharply year-on-year than the bank's net profit for the year or its variable payroll total. This was merely aiding and abetting the 1:12 initiative, and he doubted whether the CEO would maintain his alleged allegiance to CS if his salary was capped at CHF 0.6 million. At any rate, it was now time for the BoD to take better care of its shareholders' interests.

The **Chairman** warned against underestimating the importance of the AGM. The AGM was, as it had always been, the most important forum for the shareholders and the BoD to exchange opinions. The Chairman then corrected the speakers' statements on CS's compensation policy. Once again, the Chairman stressed his view that nationality was only of secondary importance when selecting people for top management positions. On the other hand, he concurred with the speaker that further improvements to the gross margin and the cost/ income ratio had to be achieved in the current year.

### **6. Speaker 6**

The **speaker** did not wish to reveal his identity outside of this AGM. He regarded it as objectionable and unjust to pay excessive salaries to management on the one hand while – on the other – cost pressure was cited as the reason for cutting jobs, thereby forcing families onto the breadline.

The **Chairman** explained why CS was forced to reduce staff again in certain areas last year. Even so, this had been done in the most socially acceptable way possible. The Chairman nevertheless conceded that individual cases of hardship could always occur, adding that CS would make every effort to avoid such cases or to provide appropriate solutions.

## **7. Speaker 7**

The **speaker** criticized the remuneration system at CS, and in particular the "bonus-bonus" and the unteachable attitude of the bank's top management. He therefore advised those present not merely to reject the Remuneration Report but also to support the Young Socialists' 1:12 initiative.

The **Chairman** denied that the CS remuneration system made provision for a "bonus-bonus"; it was more accurate to say that the Compensation Committee is authorized to increase, or reduce, the methodically calculated variable compensation by 20%. Contrary to the speaker's assertions, moreover, remuneration for top CS management had decreased significantly over the last five years.

## **8 Speaker 8**

The **speaker** considered that CS's return was inadequate and, moreover, that the bank was vastly undercapitalized. The ratio of net income to total assets on the one hand, and that between equity capital and total assets on the other, were substantially lower than for most of CS's competitors. The speaker was equally uncomprehending of the integration of Investment Banking. He called on the BoD to move away from this business model that made little economic sense, and to spin off Investment Banking – to the shareholders, for example. In this context, he called on the BoD yet again to disclose the EVA (Economic Value Added) for the divisions.

The **Chairman** defended the integrated business model; as the latest results showed, it held out prospects of success – especially in a extensively changed legal and regulatory environment. The ratio between profit and total assets at CS was indeed relatively modest as compared to competitors, but this was largely due to the higher valuation of its own liabilities (Fair Value of Own Debt). This had reduced the operating result by some CHF 3 billion. There were various reasons why CS did not disclose EVA; the company applied a similar method which takes equal account of the interests of the capital providers (i.e. shareholders) and the workforce.

**David Mathers**, Chief Financial Officer of CS, refuted the speaker's assertion that CS was undercapitalized. On the contrary, he would justifiably claim that CS had a better capital base than most of its competitors, measured by Basel III standards. The leverage ratio (the ratio between equity capital and total assets) had also improved substantially over recent years, in line with regulatory requirements.

## **9. Speaker 9**

The **speaker** began by referring to several alleged irregularities and contradictions in the 2012 Annual Report. He then requested the BoD to take a period of five instead of only three years for the information to investors in Annex A-10 to the 2012 Annual Report. Additional information about the distribution of share ownership would also be of interest. Finally, the speaker expressed his indignation at the requested stock dividend, which would further dilute the value of the stock to the detriment of the shareholders.

The **Chairman** began by clarifying the alleged inconsistencies in the Annual Report and then gave another brief explanation of the functioning of the stock dividend. Regulatory requirements were the key factor determining payment of a stock dividend. However, he pointed out to the speaker that existing shareholders experienced no economic detriment by receiving a stock dividend as opposed to a cash dividend of the same amount.

## **10. Speaker 10**

The **speaker** bemoaned the increasing loss of Swissness at CS. For example, the bank was headed by an American, and only a marginal portion of the share capital was still in Swiss hands. He then endorsed the similar reproaches leveled by the previous speaker; political developments would sooner or later force the BoD to make an about-turn. Moreover, CS's remuneration system continued to be unacceptable, which was why he joined the previous speakers in recommending that the Remuneration Report be rejected.

**11. Speaker 11**

The **speaker** endorsed the criticisms of the last two speakers and also recommended shareholders to reject the Remuneration Report.

**12. Speaker 12**

The **speaker** urged that the remuneration system must also stipulate reductions in variable compensation in case of below-average performance, not merely in case of a loss.

The **Chairman** assured the speaker that variable compensation was reduced appropriately at CS if the company or the relevant units failed to attain their performance targets.

**1.2 Consultative Vote on the 2012 Remuneration Report**

The BoD recommended the AGM to approve the 2012 Remuneration Report.

The AGM approved the 2012 Remuneration Report with the following proportions of votes:

• In favor:	881,427,452	(87.98%)
• Against:	103,146,144	(10.30%)
• Abstained:	17,244,284	(1.72%)

The Chairman expressed his pleasure at the trust that had been evidenced. He assured the AGM that in the future, the BoD would continue to maintain a remuneration system that took equal account of the shareholders' interests and those of the workforce.

**1.3 Approval of the 2012 Annual Report, the Statutory Financial Statements for 2012, and the Group's 2012 Consolidated Financial Statements**

The Board of Directors proposed that the 2012 annual report, the statutory financial statements for 2012, and the Group's 2012 consolidated financial statements be approved by the AGM.

The AGM approved the 2012 Annual Report, the statutory financial statements for 2012 and the Group's 2012 consolidated financial statements with the following proportions of votes:

• In favor:	992,137,444	(99.02%)
• Against:	6,096,569	(0.61%)
• Abstained:	3,691,759	(0.37%)

**2 Discharge of the Acts of the Members of the Board of Directors and the Executive Board**

The BoD requested the AGM to grant discharge for the members of the BoD and the Executive Board for the 2012 financial year.

There were no **speakers** on this item.

The **Chairman** informed the shareholders that, pursuant to Art. 695 SCO, anyone who had in some way been involved in managing CSG in the period under review was not entitled to vote.

The AGM collectively granted discharge to the members of the BoD and the Executive Board for the 2012 financial year with the following proportions of votes:

• In favor:	953,717,133	(95.34%)
• Against:	41,823,408	(4.18%)
• Abstained:	4,823,195	(0.48%)

No "no" votes were taken down in the minutes.

### 3 Appropriation of Retained Earnings and Distribution against Reserves from Capital Contributions in Shares or Cash (Scrip Dividend)

#### 3.1 Resolution on the Appropriation of Retained Earnings

#### 3.2 Resolution on the Distribution against Reserves from Capital Contributions in Shares or Cash (Scrip Dividend)

The BoD proposed to the AGM, under item 3.1, a motion to carry forward the available retained earnings of CHF 4,666 million. The BoD then proposed, under item 3.2, the distribution against reserves from capital contributions of CHF 0.10 in cash per registered share, and in the form of new shares, as per the invitation to the AGM and as stated in the information to shareholders on the CS website.

The **Chairman** stressed the benefits of distribution against reserves from capital contributions as opposed to conventional distribution from business profits. A distribution against reserves from capital contributions is not liable for withholding tax, and is also generally exempt from income tax for persons domiciled in Switzerland. CS would then be able to use the stock dividend to leave important regulatory capital in the company. However, the Chairman explained to shareholders that CS would prospectively make higher cash distributions possible again in the future if its capital target of 10% as defined in "Lookthrough Swiss Core Capital" is exceeded, as is expected to happen by mid-2013.

Finally, the **Chairman** stated that CSG waives a distribution against reserves from capital contributions on the treasury shares held at the time of distribution.

There were no **speakers** on this item.

The AGM approved the BoD's proposal concerning the appropriation of retained earnings, as per agenda item 3.1, with the following proportions of votes:

• In favor:	997,174,728	(99.50%)
• Against:	1,700,419	(0.17%)
• Abstained:	3,261,525	(0.33%)

The AGM proceeded to approve the BoD's proposal concerning the distribution against reserves from capital contributions in cash and in shares, in accordance with agenda item 3.2, with the following proportions of votes:

• In favor:	996,701,937	(99.45%)
• Against:	2,169,152	(0.22%)
• Abstained:	3,274,510	(0.33%)

### 4 Changes in Share Capital

#### 4.1 Increase in, Amendment to and Extension of Authorized Capital

The BoD proposed that the AGM increase the authorized capital from CHF 1,034,316.48 (corresponding to 25,857,912 registered shares) by CHF 4,965,683.52 to max. CHF 6 million (corresponding to 150 million registered shares), to extend the approval by two years and to amend the corresponding Art. 27 of the AoA.

The **Chairman** explained that it is necessary to increase the authorized capital in order to ensure delivery of new shares from the stock dividend, and also to ensure financial flexibility as the business portfolio continues to develop. 50 million shares would be used to meet the stock dividend, whereas 100 million shares would be available for any acquisitions or investments in companies, or to finance such activities.

Existing shareholders' subscription rights relating to shares reserved for the 2013 stock dividend are granted. The authorization is limited to two years and expires on April 26, 2015.

The **Chairman** pointed out to shareholders that, under Art. 704, para. 4, SCO, the resolution now being passed required the consent of two-thirds of the shares represented at this AGM.

There were no **speakers** on this item.

The AGM approved the BoD's request to increase and adjust the authorized capital and the corresponding amendment to Art. 27 of the AoA with the following proportions of votes:

• In favor:	929,668,491	(92.77%)
• Against:	68,637,685	(6.85%)
• Abstained:	3,799,989	(0.38%)

#### **4.2 Increase in Contingent Capital for Employee Shares**

The BoD requested the AGM to increase the existing contingent capital for the delivery of shares in connection with employee participation programs from CHF 106,378.68 (corresponding to 2,659,467 registered shares) by CHF 1,093,621.32 (corresponding to 27,340,533 registered shares) to a maximum of CHF 1,200,000 (corresponding to 30 million registered shares), and to amend Art. 26b, para.1 of the AoA accordingly.

The **Chairman** explained that CS employees had converted entitlements to future cash payments into corresponding entitlements to share subscriptions. Using contingent capital to meet these entitlements was also in keeping with the principle of capital efficiency. The Chairman nevertheless gave an assurance that the company would meet employees' equity awards mainly by buying shares on the market again as soon as it has exceeded its capital target of 10% as per the "Lookthrough Swiss Core Capital" definition, as is expected to occur in mid-2013.

The subscription rights of existing shareholders remain excluded in favor of entitled employees and members of the BoD of CS.

The **Chairman** pointed out to shareholders that, under Art. 704, para. 4, SCO, the resolution now being passed required the consent of two-thirds of the shares represented at this AGM.

There were no **speakers** on this item.

The AGM approved the BoD's request to increase the contingent capital for employee shares and the corresponding amendment to Art. 26b of the AoA with the following proportions of votes:

• In favor:	753,950,922	(75.26%)
• Against:	243,773,415	(24.3%)
• Abstained:	4,099,815	(0.41%)

#### **5 Other Amendments to the Articles of Association (Quorum for the Board of Directors)**

The BoD proposed that the AGM change the provisions concerning the quorum for Board of Directors' resolutions, with a corresponding amendment to Art. 18, para. 1, of the Articles of Association. This amendment simplifies the adoption of resolutions, especially when issuing shares from convertible capital.

There were no **speakers** on this item.

The AGM approved the BoD's proposal to amend the provisions on the quorum for BoD resolutions and the relevant amendment of Art. 18, para.1 of the AoA, with the following proportions of votes:

• In favor:	993,989,019	(99.23%)
• Against:	3,110,002	(0.31%)
• Abstained:	4,654,449	(0.46%)

## 6 Elections

### 6.1 Elections to the Board of Directors

The **Chairman** began by paying tribute to the service rendered by Messrs. Robert Benmosche, Aziz Syriani and David Syz, who are all stepping down from the BoD with effect from today's AGM in view of their attainment of the internal age limit. The Chairman thanked these gentlemen for their many years of committed service on the BoD.

The BoD then requested the AGM to elect Noreen Doyle and Jassim Bin Hamad J.J. Al Thani to the BoD for another statutory term of office of three years in each case, and to elect Kai Nargolwala as a new member of the BoD for a statutory term of office of three years.

A **speech** was then made by:

#### 13. Speaker 13

The **speaker** referred to the Minder initiative calling for the mandatory re-election of BoD members. He therefore did not see why the BoD requested terms of office of three years in each case for the forthcoming BoD elections. He emphatically stressed that after the implementation decrees for the Minder initiative are in force, a BoD member could not expect to be elected for a term of office of three years.

The **Chairman** assured him that CS would of course adhere strictly to the future implementation decrees for the Minder initiative.

The AGM then elected Noreen Doyle and Jassim Bin Hamad J.J. Al Thani to the BoD for another statutory term of office of three years in each case, and elected Kai Nargolwala as a new member of the BoD for a statutory term of office of three years, with the following proportions of votes:

#### Noreen Doyle:

• In favor:	947,289,193	(94.58%)
• Against:	38,885,896	(3.88%)
• Abstained:	15,376,719	(1.54%)

#### Jassim Bin Hamad J.J. Al Thani:

• In favor:	946,446,653	(94.49%)
• Against:	39,710,478	(3.96%)
• Abstained:	15,477,402	(1.55%)

#### Kai Nargolwala:

• In favor:	910,918,837	(90.94%)
• Against:	74,455,141	(7.43%)
• Abstained:	16,298,173	(1.63%)

All those elected and re-elected confirmed their acceptance of the vote.

### 6.2 Election of the Independent Auditors

The BoD requested the re-election of KPMG AG, Zurich, as Independent Auditors for a further term of office of one year.

There were no **speakers** on this item.

The AGM elected KPMG AG for another one-year term of office as Independent Auditors with the following proportions of votes:

• In favor:	991,617,086	(99.00%)
• Against:	3,700,715	(0.37%)
• Abstained:	6,265,345	(0.63%)

KPMG AG confirmed its acceptance of the vote in writing.



### 6.3 Election of Special Auditors

The BoD requested the re-election of BDO AG, Zurich, as Special Auditor for a further term of office of one year.

There were no **speakers** on this item.

The AGM elected BDO AG, Zurich, for another one-year term of office as Special Auditor with the following proportions of votes:

• In favor:	993,428,411	(99.22%)
• Against:	1,360,112	(0.14%)
• Abstained:	6,360,801	(0.64%)

BDO AG confirmed its acceptance of the vote in writing.

The Chairman concluded the meeting at 14:10. The **2014 Ordinary Annual General Meeting** will take place on **Friday May 9, 2014, at 10:30**, once again at the **Hallenstadion** in Zurich-Oerlikon.

The Chairman

The Secretary

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Urs Rohner

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Pierre Schreiber