

# IV

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# Overview

## The importance of corporate governance

Credit Suisse's corporate governance policies and procedures comply with internationally accepted standards of corporate governance. We are committed to safeguarding the interests of our stakeholders and recognize the importance of good corporate governance in achieving this objective. We know that transparent disclosure of our organizational and management structure as well as other aspects of our corporate governance helps stakeholders to assess the quality of the Group and our management and assists investors in their investment decisions.

## Complying with rules and regulations

We adhere to the principles set out in the Swiss Code of Best Practice, including the recently published appendix stipulating recommendations on the process around setting compensation for the Board of Directors and the Executive Board. In addition, we adhere to the new provisions in the Swiss Code of Obligations which aim at increasing transparency in the area of compensation disclosure. In connection with our primary listing on the SWX Swiss Exchange (SWX), we are subject to the SWX Directive on Information Relating to Corporate Governance. Our shares are also listed on the NYSE in the form of American Depositary Shares (ADS). As a result, we are subject to certain US rules and regulations. Moreover, we adhere to the NYSE's Corporate Governance rules (NYSE rules), with a few exceptions where the rules are not applicable to foreign private issuers such as Credit Suisse Group.

The following are the significant differences between our corporate governance standards and the corporate governance standards applicable to US domestic issuers listed on the NYSE:

- Approval of employee benefit plans: the NYSE rules require shareholder approval of the establishment of, and material revisions to, all equity compensation plans. The definition of "equity compensation plans" covers plans or other arrangements that provide for the delivery to employees or directors of either newly issued securities or securities acquired by the issuer in the secondary market. We comply with Swiss law, which requires that shareholders approve the creation of the conditional capital used to set aside shares for employee benefit plans and other equity

compensation plans but does not require shareholders to approve the terms of those plans.

- Risk Assessment and Risk Management: the NYSE rules allocate responsibility for the discussion of guidelines and policies governing the process by which risk assessment and risk management is undertaken to the Audit Committee, while our corporate governance standards allocate these duties to the separate Risk Committee. While our Audit Committee members satisfy the NYSE independence requirements, the Group's Risk Committee may include non-independent members.
- Reporting: the NYSE rules require that certain board committees report specified information directly to shareholders, while under Swiss law only the Board of Directors reports directly to the shareholders, and the committees submit their reports to the full Board.
- Appointment of the external auditor: the NYSE rules require the Audit Committee to be directly responsible for the appointment, compensation, retention and oversight of the External Auditor unless there is a conflicting requirement under home country law. Under Swiss law, the appointment of the External Auditor must be approved by our shareholders at the AGM based on the proposal of the Board of Directors, which receives the advice and recommendation of the Audit Committee.

## Corporate governance framework

Our corporate governance policies and procedures are defined in a series of documents governing the organization and management of the company. The Board of Directors has adopted a set of Corporate Governance Guidelines aimed at explaining and promoting an understanding of our governance structures. These guidelines form the basis of a sound corporate governance framework and refer to other documents that regulate aspects of governance in greater detail. Other important corporate governance documents, all of which are available on our website at [www.credit-suisse.com/governance/en/](http://www.credit-suisse.com/governance/en/), include:

- Articles of Association (AoA), which define the purpose of the business and the basic organizational framework;
- Organizational Guidelines and Regulations (OGR), which define the responsibilities and sphere of authority of the various bodies within the Group, as well as the relevant reporting procedures;

- The Board of Directors Charter, which outlines the internal organization and responsibilities of the Board of Directors;
- The Board of Directors Committee Charters, which define the duties and responsibilities of each committee; and
- The Code of Conduct, which lists 12 core ethical and performance-related values that are binding on all employees worldwide. The Code was first established in 1999 in an effort to ensure that all employees worldwide share a common set of values across the organization and to guide our efforts to inspire and maintain the trust and confidence of all our stakeholders. The Code of Conduct implements requirements stipulated in the US Sarbanes-Oxley Act of 2002 by including provisions on ethics for our Chief Executive Officer and our principal financial and accounting officers, or other persons performing similar functions. No waivers to the Code of Conduct have been made since its adoption. Information regarding any future amendments or waivers granted will be published on our website.

## Company

Credit Suisse Group is registered as a Swiss corporation (*Aktiengesellschaft*) in the Commercial Register of the Canton of Zurich under the registration number CH-020.3.906.075-9 and has its registered offices in Zurich, Switzerland. Our business purpose, as set forth in Article 2 of our AoA, is to hold direct or indirect interests in all types of businesses in Switzerland and abroad, in particular in the areas of banking, finance, asset management and insurance. We have the power to establish new businesses, acquire a majority or minority interest in existing businesses and provide related financing. We also have the power to acquire, mortgage and sell real estate properties both in Switzerland and abroad.

Our business consists of three operating segments: Private Banking, Investment Banking and Asset Management. The three segments are complemented by Shared Services.

A detailed review of our operating results can be found in II – Operating and financial review. For a list of significant subsidiaries and associated entities, refer to Note 38 – Significant subsidiaries and associates in V – Consolidated financial statements – Credit Suisse Group. With the exception of Neue Aargauer Bank, Aarau, Switzerland, 99% of which is held by

Credit Suisse Group and which is listed on the SWX (Swiss Security Number 397719, market capitalization of CHF 2,121 million as of December 31, 2007), no other subsidiaries have shares listed on the SWX or any other stock exchange.

For further information on our structure, refer to I – Information on the company.

## Directors

The Swiss Code of Obligations (*Schweizerisches Obligationenrecht*) requires directors and members of senior management to safeguard the interests of the corporation and, in connection with this requirement, imposes a duty of care and a duty of loyalty on directors and members of senior management. While Swiss law does not have a general provision on conflicts of interest, the duties of care and loyalty are generally understood to disqualify directors and members of senior management from participating in decisions that could directly affect them. Directors and members of senior management are personally liable to the corporation for any breach of these provisions. In addition, Swiss law contains a provision pursuant to which payments made to a shareholder or a director or any person associated with them (for example, family members, business partners, agents or financing providers), other than at arms' length, must be repaid to the corporation if the shareholder or director was acting in bad faith.

Neither Swiss law nor our AoA restrict in any way our power to borrow and raise funds. The decision to borrow funds is passed by or under the direction of our Board of Directors, with no shareholders' resolution required.

## Employees

As of December 31, 2007, we employed 48,100 employees worldwide, most of which are employees of the Bank. Of the total number of employees, 21,000 were employed in Switzerland and 27,100 were employed abroad.

The number of employees increased by 3,200 full-time equivalents compared to the end of 2006. The increase was driven primarily by recruitment in Investment Banking and additional relationship managers in targeted markets of Wealth Management. A majority of our employees do not belong to unions. We have not experienced any significant strike, work stoppage or labor dispute in recent years. We consider our relations with our employees to be good.

## Number of employees

		end of	% change
	<b>2007</b>	2006	07 / 06
<b>Number of employees (full-time equivalents)</b>			
Wealth Management	14,300	13,400	7
Corporate & Retail Banking	8,900	8,800	1
Private Banking	23,200	22,200	5
Investment Banking	20,600	18,700	10
Asset Management	3,600	3,400	6
Corporate Center	700	600	17
<b>Number of employees</b>	<b>48,100</b>	<b>44,900</b>	<b>7</b>
whereof Switzerland	21,000	20,400	3
whereof abroad	27,100	24,500	11

### Information policy

We are committed to an open and fair information policy vis-à-vis our shareholders as well as other stakeholders. Our Investor Relations and Corporate Communications departments are responsible for inquiries.

All shareholders registered in our share register automatically receive an invitation to our AGM including an order form to receive the Credit Suisse Annual Report and other reports. Each registered shareholder will automatically receive a quarterly shareholders' letter providing an overview on our performance in a short and concise format. In addition, we produce detailed quarterly reports on our financial performance.

Shareholders can elect whether they would like to regularly receive the quarterly reports. All of these reports, including the annual report on Form 20-F, and other regularly updated information can be found on our website at [www.credit-suisse.com/investors](http://www.credit-suisse.com/investors).

### Articles of Association

For a summary of the material provisions of our AoA and the Swiss Code of Obligations as they relate to our shares, refer to the summaries contained in the sections Shareholders and Additional information – Changes of control and defense measures. That description does not purport to be complete and is qualified in its entirety by reference to the Swiss Code

of Obligations and to the Group AoA. Copies of our AoA are available at our main office, Paradeplatz 8, P.O. Box 1, CH 8070 Zurich, Switzerland, or on our website [www.credit-suisse.com](http://www.credit-suisse.com).

The AoA and OGR of the Group and the Bank are substantially similar other than to the extent they determine the rights of the Group's shareholders related to the purpose of the Group as a holding company or the Bank as a Swiss banking organization.

### Indemnification

Neither our AoA nor Swiss statutory law contains provisions regarding the indemnification of directors and officers. According to general principles of Swiss employment law, an employer may, under certain circumstances, be required to indemnify an employee against losses and expenses incurred by such person in the execution of such person's duties under an employment agreement, unless the losses and expenses arise from the employee's gross negligence or willful misconduct. It is our policy to indemnify current and former directors and/or employees against certain losses and expenses in respect of service as a director or employee of us, one of our affiliates or another entity, which we have approved, subject to specific conditions or exclusions. We maintain directors' and officers' insurance for our directors and officers.

# Shareholders

## Significant shareholders

Under SESTA, anyone holding shares in a company listed on the SWX is required to notify the company and the SWX if their holding reaches, falls below or exceeds the following thresholds: 3%, 5%, 10%, 15%, 20%, 25%, 33 1/3%, 50% or 66 2/3% of the voting rights, whether or not the voting rights can be exercised. Following receipt of such notification, the corporation has the obligation to inform the public. In addition, pursuant to the Swiss Code of Obligations, we must disclose in the notes to our annual consolidated financial statements the identity of any shareholders who own in excess of 5% of our shares.

On September 19 and 20, 2006, we were informed through disclosure notifications that AXA S.A.'s holdings of Credit Suisse Group shares have exceeded the 5% threshold. As of September 15, 2006, AXA S.A. held 84.7 million shares, or 6.98%, of the outstanding shares of the Group, indirectly or by agreement through AllianceBernstein L.P., AXA Rosenberg Investment Managers Ltd., AXA Investment Managers S.A., "Winterthur" Swiss Insurance Company and Winterthur Life.

As of December 31, 2007, Chase Nominees Ltd., London, acting as nominee for a large number of investors, was a

registered holder of 93.2 million shares, or 8%, of the outstanding shares of the Group.

As of December 31, 2007, we held 141.8 million of our own shares that, as a result of such ownership, had no voting rights. This position represents 12.2% of our issued shares.

On February 13, 2008, Olayan Investments Company Establishment disclosed in line with the revised SESTA that its holdings of Credit Suisse Group shares were above the newly introduced 3% threshold, with 40 million shares, or 3.44%, indirectly held through Crescent Holding GmbH, Vienna.

## Cross shareholdings

Credit Suisse Group has no cross shareholdings in excess of 5% of capital or voting rights with any other company.

## Shareholder base

We have a broad shareholder base. As of December 31, 2007, approximately 117,600 shareholders were listed in our share register. To the best of our knowledge, there are no agreements in place that could lead to a change in control of Credit Suisse Group.

## Distribution of Credit Suisse Group shares

	Number of shareholders	%	Number of shares	%
<b>December 31, 2007</b>				
Private investors	112,008	95.25	96,126,389	8.27
whereof Swiss	100,922	85.82	86,883,127	7.47
whereof foreign	11,086	9.43	9,243,262	0.80
Institutional investors	5,587	4.75	521,871,626	44.89
whereof Swiss	4,349	3.70	106,933,533	9.20
whereof foreign	1,238	1.05	414,938,093	35.69
Shares not registered in share register			544,464,125	46.84
<b>Total shares issued</b>	<b>117,595</b>	<b>100.00</b>	<b>1,162,462,140</b>	<b>100.00</b>
whereof Switzerland	111,175	94.54	173,359,024	14.91
whereof Europe	4,110	3.50	259,527,785	22.33
whereof US	414	0.35	115,438,500	9.93
whereof Other	1,896	1.61	69,672,706	5.99

As of December 31, 2007, 48 million, or 4.1%, of the outstanding shares were in the form of ADS, and 10.8 million, or 0.9%, of the outstanding shares were registered in the name of US domiciled shareholders (excluding nominees).

### Institutional investors by industry

	Number of shareholders	%	Number of shares	%
<b>December 31, 2007</b>				
Banks	36	0.03	828,870	0.07
Insurance companies	131	0.11	6,495,857	0.56
Pension funds	1,257	1.07	31,009,503	2.67
Investment trusts	270	0.23	53,848,823	4.63
Other trusts	887	0.75	4,059,245	0.35
Governmental institutions	11	0.01	6,090,335	0.52
Other	2,760	2.35	60,841,808	5.23
<b>Direct entries</b>	<b>5,352</b>	<b>4.55</b>	<b>163,174,441</b>	<b>14.04</b>
<b>Fiduciary Holdings</b>	<b>235</b>	<b>0.20</b>	<b>358,697,185</b>	<b>30.86</b>
<b>Total direct / fiduciary</b>	<b>5,587</b>	<b>4.75</b>	<b>521,871,626</b>	<b>44.89</b>

### Capital structure

Our total outstanding share capital as of December 31, 2007, was CHF 46,498,485.60, divided into 1,162,462,140 registered shares with a nominal value of CHF 0.04 per share. Our shares are listed on the SWX and in the form of ADS on the NYSE. For details on the shareholder rights associated with our shares, refer to the description provided under Shareholder rights.

For details of changes to the share capital occurring in the course of the business year and information as to the authorized and conditional capital and changes thereto during the year, refer to Note 7 – Share capital, conditional and authorized capital of Credit Suisse Group in VI – Parent company financial statements – Credit Suisse Group as well as in our AoA (Articles 26, 26a-c and 27). For the two previous years' information, reference is made to our 2006 Annual Report or the 2006 Annual Report on Form 20-F.

For further information on employee compensation plans, including option plans, refer to Compensation and Note 27 – Employee share-based compensation and other benefits in V – Consolidated financial statements – Credit Suisse Group.

### Shareholder rights

We are fully committed to the principle of equal treatment of all shareholders and encourage shareholders to actively participate at our AGM. The following is a summary of shareholder rights at Credit Suisse Group. For further details, see our AoA.

### Voting rights and transfer of shares

There is no limitation under Swiss law or Credit Suisse Group's AoA on the right to own Credit Suisse Group shares.

In principle, each share represents one vote at the AGM, with the exception of the shares held by Credit Suisse Group, which do not have any voting rights. Shares for which a single shareholder or shareholder group can exercise voting rights may not exceed 2% of the total outstanding share capital, unless one of the exemptions discussed below applies.

The restrictions on voting rights do not apply to:

- the exercise of voting rights by the Credit Suisse Group proxy or by the independent proxy as designated by Credit Suisse Group or by persons acting as proxies for deposited shares;
- shares in respect of which the shareholder confirms to us that he or she has acquired the shares in his or her name for his or her own account and in respect of which the disclosure requirements in accordance with the SESTA and the relevant ordinances and regulations have been fulfilled; or
- shares that are registered in the name of a nominee, provided that this nominee is willing to furnish us on request with the name, address and shareholding of the person(s) for whose account he or she holds 0.5% or more of the total share capital and any applicable disclosure requirements under the SESTA have been fulfilled.

Except upon specific request, Credit Suisse Group shares are not physically represented by certificates. The transfer of shares is executed by a corresponding entry in the custody

records of a bank or depository institution following an assignment in writing by the selling shareholder and notification of such assignment to us by the transferor, the bank or the depository institution. In order to be registered in the share register, the purchaser must file a share registration form. Failing such registration, the purchaser may not vote or participate in shareholders' meetings. Each shareholder, whether registered in the share register or not, is entitled to receive dividends or other distributions, if, and when, approved at the AGM.

### Annual General Meeting

Under Swiss law, the AGM must be held within six months after the end of the fiscal year. Notice of an AGM, including agenda items and proposals submitted by the Board of Directors and by shareholders, must be published in the Swiss Official Commercial Gazette (*Schweizerisches Handelsamtsblatt*) at least 20 days prior to the meeting.

Holders of shares may request registration in the share register at any time. There is, in particular, no deadline for registering shares before an AGM. However, technical considerations may make registration on the same day as the AGM impossible.

### Convocation of shareholder meetings

The AGM is convened by the Board of Directors or, if necessary, by the statutory auditors, with 20 days' advance notice. The Board of Directors is further required to convene an extraordinary shareholders' meeting if so resolved at a shareholders' meeting or if so requested by shareholders holding in aggregate at least 10% of the nominal share capital. The request to call an extraordinary shareholders' meeting must be submitted in writing to the Board of Directors, and, at the same time, shares of Credit Suisse Group representing at least 10% of the nominal share capital must be deposited for safekeeping. The shares remain in safekeeping until the day after the extraordinary shareholders' meeting.

### Request to place an item on the agenda

Shareholders holding shares with an aggregate nominal value of at least CHF 0.04 million have the right to request that a specific item be put on the agenda and voted upon at the next AGM. The request to include a particular item on the agenda, together with a relevant proposal, must be submitted in writing to the Board of Directors not later than 45 days before the meeting and, at the same time, shares of Credit Suisse Group with an aggregate nominal value of at least CHF 0.04 million must be deposited for safekeeping. The shares remain in safekeeping until the day after the AGM.

### Statutory quorums

The AGM may, in principle, pass resolutions without regard to the number of shareholders present at the meeting or represented by proxy. Resolutions and elections generally require the approval of a majority of the votes represented at the meeting, except as otherwise provided by mandatory provisions of law or by the AoA.

For example, shareholders' resolutions that require a vote by a majority of the votes represented include:

- amendments to the AoA, unless a supermajority is required;
- election of directors and statutory auditors;
- approval of the annual report and the statutory and consolidated accounts; and
- determination of allocation of distributable profit.

A quorum of at least half of the share capital and approval by a two-thirds majority of the votes represented is required for resolutions on:

- change of the purpose of the company;
- creation of shares with increased voting powers;
- implementation of transfer restrictions on shares;
- authorized or conditional increase in the share capital;
- increase of capital by way of conversion of capital surplus or by contribution in kind;
- restriction or suspension of preferential rights;
- change of location of the principal office; and
- dissolution of the company without liquidation.

A quorum of at least half of the share capital and approval by at least three-quarters of the votes cast is required for resolutions on:

- the conversion of registered shares into bearer shares;
- amendments to the provision of the AoA relating to registration and voting rights of nominee holders; and
- the dissolution of the company.

A quorum of at least half of the share capital and the approval of at least seven-eighths of the votes cast is required for amendments to provisions of the AoA relating to voting rights.

### Pre-emptive subscription rights

Under Swiss law, any share issue, whether for cash or non-cash consideration or no consideration, is subject to the prior approval of the shareholders' meeting. Shareholders of a Swiss corporation have certain pre-emptive subscription rights to subscribe for new issues of shares in proportion to the nominal amount of shares held. A resolution adopted at a shareholders' meeting with a supermajority may, however, limit or suspend preferential subscription rights in certain limited circumstances.

## Notices

Notices to shareholders are made by publication in the Swiss Official Commercial Gazette (*Schweizerisches Handelsamtsblatt*). The Board of Directors may designate further means of communication for publishing notices to shareholders. Notices

required under the listing rules of the SWX will either be published in two Swiss newspapers in German and French and sent to the SWX or otherwise be communicated to the SWX in accordance with applicable listing rules. The SWX may disseminate the relevant information.

# Board of Directors

## Membership and qualifications

The AoA provide that the Board of Directors shall consist of a minimum of seven members. The Board of Directors currently consists of 13 members. We believe that the size of the Board must be such that the committees can be staffed with qualified members, but, at the same time, the Board must be small enough to ensure an effective and rapid decision-making process. The members are elected individually for a period of three years and are eligible for re-election. There is no requirement in the AoA for a staggered board. One year of office is understood to be the period of time from one ordinary AGM of shareholders to the close of the next ordinary AGM. While the AoA do not provide for any age or term limitations, our OGR specify that the members of the Board shall retire at the ordinary AGM in the year in which they reach the age of 70. We do not believe that imposing a term limitation for our Board members is appropriate. However, the Board considers the number of years a Board member has served on the Board when performing the annual independence review. Currently, three members of the Board have served for more than nine years. The annual independence review did not conclude that the independence of the respective individuals would be impaired as a result of this tenure. None of our directors has a service contract with us or any of our subsidiaries providing for benefits upon termination of service.

The Board currently has four committees: the Chairman's and Governance Committee, the Audit Committee, the Compensation Committee and the Risk Committee. The committee members are appointed for a term of one year.

The Chairman's and Governance Committee regularly considers the composition of the Board as a whole and in light of staffing requirements for the committees. The Chairman's and Governance Committee recruits and evaluates candidates for Board membership based on a set of criteria established by the Committee. The Committee may also retain outside consultants with respect to the identification and recruitment of potential new Board members. In assessing candidates, the

Chairman's and Governance Committee considers the requisite skills and characteristics of Board members as well as the composition of the Board as a whole. Among other considerations, the Committee takes into account independence, diversity, age, skills and management experience in the context of the needs of the Board to fulfill its responsibilities. The Board also considers other activities and commitments of an individual in order to be satisfied that a proposed member of the Board can devote enough time to a Board position at Credit Suisse Group.

Any newly appointed director participates in an orientation program to familiarize himself or herself with our organizational structure, strategic plans, significant financial, accounting and risk issues and other important matters. The orientation program is designed to take into account the new Board member's individual background and level of experience in each specific area. Moreover, the program's focus is aligned with any committee memberships of the person concerned. Board members are encouraged to engage in continuous training. From time to time, the Board or a committee of the Board may ask a specialist within the Group to speak about a specific topic at one of its meetings to improve the Board members' understanding of emerging issues that already are or may become of particular importance to our business.

## Meetings

In 2007, the Board held six full-day meetings in person. Furthermore, the Board held three additional meetings to address urgent matters. From time to time, the Board may also take certain urgent decisions via circular resolution. Such matters have usually been discussed at a previous Board meeting or are administrative in nature.

All members of the Board are expected to spend the necessary time outside these meetings needed to discharge their responsibilities appropriately. The Chairman calls the meeting with sufficient notice and prepares an agenda for each meet-

ing. However, any other Board member has the right to call an extraordinary meeting, if deemed necessary. The Chairman has the discretion to invite members of management or others to attend the meetings. Generally, all members of the Executive Board attend the meetings to ensure effective interaction with the Board. At most meetings, the Board holds separate private sessions, without management present, to discuss particular issues. Minutes are kept of the proceedings and resolutions of the Board.

### Meeting attendance

The members of the Board of Directors are expected to attend all or substantially all meetings of the Board and the committees on which they serve. The Chairman attends selected committee meetings as a guest. In 2007, each member of the Board and its committees attended most of the scheduled meetings.

Board of Directors meetings: Nine meetings were held during 2007. Ten members of the Board of Directors attended all meetings, two members of the Board attended at least 90%, and one member attended at least 80% of the scheduled meetings.

Chairman's and Governance Committee meetings: Ten meetings were held during 2007. Three members of the Chairman's and Governance Committee attended all meetings, and one member attended at least 80% of the scheduled meetings.

Audit Committee meetings: Ten meetings were held during 2007, including a full day workshop dedicated to foster the committee members' understanding of certain internal control programs and projects. Three members of the Audit Committee attended all meetings, and one member attended at least 90% of the scheduled meetings.

Compensation Committee meetings: Seven meetings were held during 2007. All members of the Compensation Committee attended all meetings.

Risk Committee meetings: Six meetings were held during 2007. Two members of the Risk Committee attended all meetings, and one member attended at least 80% of the scheduled meetings.

### Independence

The Board currently consists solely of directors who have no executive functions within the Group. As of December 31, 2007, all but one member of the Board was independent. In its independence determination, the Board takes into account

the factors set forth in the OGR, the Committee Charters and applicable laws and listing standards. Our independence standards are also periodically measured against other emerging best practice standards.

The Chairman's and Governance Committee performs an annual assessment of the independence of each Board member and reports its findings to the full Board for the final determination of independence of each individual member. In general, a director is considered independent if he or she is not, and has not been for the prior three years, employed as an executive officer of Credit Suisse Group or any of our subsidiaries, is not and has not been for the prior three years an employee or affiliate of our external auditor and does not maintain a material direct or indirect business relationship with Credit Suisse Group or any of our subsidiaries. Moreover, a Board member is not considered independent if he or she is, or has been at any time during the prior three years, part of an interlocking directorate in which a member of the Executive Board serves on the compensation committee of another company that employs the Board member. Board members with immediate family members who would not qualify as independent are also not considered independent. Our definition of independence is in line with the NYSE definition. In addition to measuring Board members against the independence criteria, the Chairman's and Governance Committee also considers whether there are any indications that other commitments of an individual prevent the person from devoting enough time to the Credit Suisse Group Board mandate.

Whether or not a relationship between Credit Suisse and a member of the Board is considered material depends in particular on the following factors:

- the volume and size of any transactions concluded in relation to the financial status and credit standing of the Board member concerned or the organization in which he or she is a partner, significant shareholder or executive officer;
- the terms and conditions applied to such transactions in comparison to those applied to transactions with counterparties of a similar credit standing;
- whether the transactions are subject to the same internal approval processes and procedures as transactions that are concluded with parties that are not related to a Board member;
- whether the transactions are performed in the ordinary course of business; and
- whether the transactions are structured in such a way and on such terms and conditions that the transaction could be concluded with a third party on comparable terms and conditions.

We are a global financial services provider. Many of the members of the Board or companies associated with them maintain banking relations with us. All relationships with members of the Board or such companies are in the ordinary course of business, and are entered into on an arm's-length basis. For further information on relationships with members of the Board of Directors, refer to Note 28 – Related parties in V – Consolidated financial statements – Credit Suisse Group.

### **Chairman of the Board**

The Chairman of the Board coordinates the work of the Board and its committees and ensures that the Board members are provided with the information relevant for performing their duties. The Chairman has no executive function within the Group. With the exception of the Chairman's and Governance Committee, the Chairman is not a member of any of the Board's standing committees. However, he may attend all or part of selected committee meetings as a guest. The Chairman is also actively involved in developing the strategic business plans and objectives of the Group. Furthermore, he works closely with the Chief Executive Officer in establishing succession plans for key management positions.

The Chairman of the Board takes an active role in representing the Group to important investors, other stakeholders and the general public.

### **Board responsibilities**

In the OGR, the Board delegates certain tasks to Board committees and delegates the management of the company and the preparation and implementation of Board resolutions to certain management bodies or executive officers to the extent permitted by law, in particular article 716a and 716b of the Swiss Code of Obligations, and Credit Suisse Group's AoA.

With responsibility for the overall direction, supervision and control of the company, the Board regularly assesses our competitive position and approves our strategic and financial plans. At each meeting, the Board receives a status report on our financial results and capital situation. In addition, on a quarterly (or more frequent) basis, the Board receives management information packages, which provide detailed information on our performance and financial status, as well as risk reports outlining recent developments and outlook scenarios. Management also provides the Board members with regular updates on key issues and significant events, as is deemed appropriate or requested. In order to appropriately discharge its responsibilities, the members of the Board have access to all informa-

tion concerning the Group. Should a member of the Board require information or wish to review our documents outside a meeting, he or she can address this request to the Chairman of the Board.

The Board also reviews and approves significant changes in our structure and organization and is actively involved in significant projects including acquisitions, divestitures, investments and other major projects. The Board and its committees are entitled, without consulting with management and at the expense of us, to engage independent legal, financial or other advisors, as they deem appropriate, with respect to any matters subject to their respective authority. The Board also performs a self-assessment once a year where it reviews its own performance and sets objectives and a work plan for the coming year.

### **Board committees**

At each Board meeting, the committee chairmen report to the Board about their activities. In addition, the minutes of the committee meetings are accessible to all Board members.

#### **Chairman's and Governance Committee**

The Chairman's and Governance Committee consists of the Chairman of the Board, the chairmen of the committees of the Board and other members appointed by the Board. A majority of the committee's members must be independent. Currently all members of the Chairman's and Governance Committee are independent. The members are:

- Walter B. Kielholz (Chairman)
- Hans-Ulrich Doerig
- Aziz R.D. Syriani
- Peter F. Weibel

The Chairman's and Governance Committee has its own charter, which has been approved by the Board. It generally meets on a monthly basis, each meeting usually lasting about one hour. The meetings are usually attended by the Chief Executive Officer and the General Counsel. It is at the Chairman's discretion to ask other members of management to attend all or part of a meeting.

The Chairman's and Governance Committee acts as an advisor to the Chairman of the Board and discusses a broad variety of topics in preparation for Board meetings. In addition, the Chairman's and Governance Committee is responsible for the development and occasional review of a set of Corporate Governance Guidelines, which are then recommended to the full Board for approval. It periodically reviews our other governance documents to ensure that they are up-to-date and com-

plete. At least once annually, the Chairman's and Governance Committee evaluates the independence of the Board members and reports its findings to the Board for final determination. The Chairman's and Governance Committee is also responsible for identifying, evaluating, recruiting and nominating new Board members in accordance with the criteria established by the Committee, subject to applicable laws and regulations.

In addition, the Chairman's and Governance Committee guides and supervises the Board's annual performance assessment of the Chairman of the Board, the Chief Executive Officer and the members of the Executive Board. The Chairman of the Board does not participate in the discussion of his own performance. The Chairman's and Governance Committee proposes to the Board the appointment, promotion, dismissal or replacement of members of the Executive Board. The Chairman's and Governance Committee also reviews succession plans for senior executive positions in the Group with the Chairman and the Chief Executive Officer.

#### **Audit Committee**

The Audit Committee consists of not fewer than three members, all of whom must be independent. The current members are:

- Peter F. Weibel (Chairman)
- Noreen Doyle
- Jean Lanier
- David W. Syz

The Audit Committee has its own charter, which has been approved by the Board. The members of the Audit Committee are subject to additional independence requirements, exceeding those that apply to other members of the Board. None of the Audit Committee members may be an affiliated person of the Group or may, directly or indirectly, accept any consulting, advisory or other compensatory fees from us other than their regular compensation as members of the Board and its committees. The Audit Committee charter stipulates that all Audit Committee members must be financially literate. In addition, they may not serve on the Audit Committee of more than two other companies, unless the Board deems that such membership would not impair their ability to serve on our Audit Committee. Ms. Doyle currently serves on the Audit Committees of three other public companies, but the Board has deemed that considering the specific circumstances such membership does not impair her ability to serve on our Audit Committee. As a result, all current Audit Committee members meet the additional independence criteria.

In addition, the SEC requires disclosure about whether a member of the Audit Committee is an audit committee financial expert within the meaning of the US Sarbanes-Oxley Act

of 2002. The Board has determined that Peter F. Weibel is an audit committee financial expert.

Pursuant to its charter, the Audit Committee holds full-day or half-day meetings at least once each quarter, prior to the publication of our consolidated financial statements. Typically, the Audit Committee convenes for a number of additional meetings and conference calls throughout the year in order to adequately discharge its responsibilities. The regular meetings are attended by management representatives, as appropriate, the Head of Internal Audit and senior representatives of the external auditor. At most Audit Committee meetings, a private session with Internal Audit and the external auditors is scheduled to provide them with an opportunity to discuss issues with the Audit Committee without management being present. At some meetings, a joint session with the Risk Committee members is arranged at which topics of relevance to both committees are discussed.

The primary function of the Audit Committee is to assist the Board in fulfilling its oversight role by:

- monitoring and assessing the integrity of the consolidated financial statements as well as disclosures of the financial condition, results of operations and cash flows;
- monitoring processes designed to ensure our compliance with legal and regulatory requirements;
- monitoring the qualifications, independence and performance of the external auditors and of Internal Audit; and
- monitoring the adequacy of financial reporting processes and systems of internal accounting and financial controls.

The Audit Committee is regularly informed about significant projects aimed at further improving such processes and receives regular updates on major litigation matters as well as significant regulatory and compliance matters. The Audit Committee also oversees the work of our external auditor and pre-approves the retention of, and fees paid to, the external auditor for all audit and non-audit services. For this purpose, it has developed and approved a policy that is designed to help ensure that the independence of the external auditor is maintained at all times. The policy limits the scope of services that the external auditor may provide to us or any of our subsidiaries to audit and certain permissible types of non-audit services, including audit-related services, tax services and other services that have been pre-approved by the Audit Committee. The Audit Committee pre-approves all other services on a case-by-case basis. The external auditor is required to report periodically to the Audit Committee about the scope of the services it has provided and the fees for the services it has performed to date. Furthermore, the Audit Committee has established procedures for the receipt, retention and treatment of complaints regarding the accounting, internal controls or

auditing matters, including a so-called whistleblower hotline to provide the option to report complaints on an anonymous basis. The Audit Committee performs a self-assessment once a year where it reviews its own performance against the responsibilities listed in the charter and the committee's objectives and determines any special focus objectives for the coming year.

### Compensation Committee

The Compensation Committee consists of not fewer than three members, all of whom must be independent. The current members are:

- Aziz R.D. Syriani (Chairman)
- Thomas W. Bechtler
- Robert H. Benmosche
- Anton van Rossum

The Compensation Committee has its own charter, which has been approved by the Board. Pursuant to its charter, the Compensation Committee holds at least four meetings per year. Additional meetings may be scheduled if required to discuss urgent matters. The length of the meetings varies and depends on the agenda. The main meeting is held in January with the primary purpose of reviewing the performance of the businesses and the respective management teams, and determining and/or recommending to the Board for approval the overall compensation pools and the compensation payable to the members of the Board, the Executive Board, the head of Internal Audit and certain other members of senior management. Other duties and responsibilities of the Compensation Committee include reviewing newly established compensation plans or amendments to existing plans and recommending them to the Board for approval. The Chairman of the Compensation Committee decides on the attendance of management or others at the committee meetings.

The Compensation Committee is assisted in its work by external legal counsel and an independent global compensation consulting firm (Johnson Associates, Inc.). For information on our compensation approach, principles and objectives, refer to Compensation. The Compensation Committee performs a self-assessment once a year where it reviews its own performance against the responsibilities listed in the charter and the committee's objectives and determines any special focus objectives for the coming year.

### Risk Committee

The Risk Committee consists of not fewer than three members. Pursuant to its charter, which has been approved by the Board, it may include non-independent members. The current members are:

- Hans-Ulrich Doerig (Chairman)
- Ernst Tanner
- Richard E. Thornburgh

The Risk Committee holds at least four meetings a year, each generally at least a half day. In addition, the Risk Committee usually convenes for additional meetings throughout the year in order to appropriately discharge its responsibilities. The Chairman of the Risk Committee invites members of management or others to attend the committee meetings, as appropriate.

The Risk Committee's main duties are to assist the Board in assessing the different types of risk to which we are exposed, as well as our risk management structure, organization and processes. The Risk Committee approves selected risk limits and makes recommendations to the Board regarding all its risk-related responsibilities, including the review of major risk management and capital adequacy requirements. The Risk Committee performs a self-assessment once a year where it reviews its own performance against the responsibilities listed in the charter and the committee's objectives and determines any special focus objectives for the coming year.

### Members of the Board of Directors and the Committees

**Walter B. Kielholz**, Chairman <sup>1)</sup>  
**Hans-Ulrich Doerig**, Vice-Chairman <sup>1) 4)</sup>  
**Thomas W. Bechtler** <sup>2)</sup>  
**Robert H. Benmosche** <sup>2)</sup>  
**Peter Brabeck-Letmathe**  
**Noreen Doyle** <sup>3)</sup>  
**Jean Lanier** <sup>3)</sup>  
**Anton van Rossum** <sup>2)</sup>  
**Aziz R.D. Syriani** <sup>1) 2)</sup>  
**David W. Syz** <sup>3)</sup>  
**Ernst Tanner** <sup>4)</sup>  
**Richard E. Thornburgh** <sup>4)</sup>  
**Peter F. Weibel** <sup>1) 3)</sup>

<sup>1)</sup> Member of the Chairman's and Governance Committee

<sup>2)</sup> Member of the Compensation Committee

<sup>3)</sup> Member of the Audit Committee

<sup>4)</sup> Member of the Risk Committee

The composition of the Boards of Directors of the Group and the Bank is identical.



Board of Directors of Credit Suisse (from left to right): David W. Syz, Hans-Ulrich Doerig, Jean Lanier, Noreen Doyle, Richard E. Thornburgh, Peter Brabeck-Letmathe, Walter B. Kielholz, Robert H. Benmosche, Aziz R.D. Syriani, Anton van Rossum, Ernst Tanner, Thomas W. Bechtler, Peter F. Weibel

**Walter B. Kielholz****Born 1951, Swiss Citizen****Credit Suisse Group****Paradeplatz 8, 8070 Zurich, Switzerland**

Walter B. Kielholz is the Chairman of the Board of Directors and the Chairman's and Governance Committee (since January 2003). He has been a member of the Board since 1999 and served as Chairman of the Audit Committee from 1999 to 2002. His term as a member of the Board expires at the AGM in 2009. The Board has determined him to be independent under the Group's independence standards.

Mr. Kielholz studied Business Administration at the University of St. Gallen, and graduated in 1976 with a degree in Business Finance and Accounting.

His career began at the General Reinsurance Corporation, Zurich, in 1976. After working in the US, the UK and Italy, Mr. Kielholz assumed responsibility for the company's European marketing. In 1986, he joined Credit Suisse, Zurich, responsible for client relations with large insurance groups in the Multi-national Services department.

Mr. Kielholz joined Swiss Re, Zurich, in 1989. He became a member of Swiss Re's Executive Board in 1993 and was Swiss Re's Chief Executive Officer from 1997 to 2002. A Board member since 1998, he became Executive Vice-Chairman of the Board of Directors of Swiss Re in 2003 and Vice-Chairman in 2007.

Mr. Kielholz is a Board member of the Geneva Association, the European Financial Roundtable and the Institute of International Finance.

In addition, Mr. Kielholz is Chairman of the Supervisory Board of Avenir Suisse and a member of the Board and the Committee of *economiesuisse*. Mr. Kielholz is a member of the Zurich Friends of the Arts, the Lucerne Festival Foundation Board and Chairman of the Zürcher Kunstgesellschaft (Zurich Art Society), which runs Zurich's Kunsthau museum.

**Hans-Ulrich Doerig****Born 1940, Swiss Citizen****Credit Suisse Group****Paradeplatz 8, 8070 Zurich, Switzerland**

Hans-Ulrich Doerig is the full-time Vice-Chairman of the Board and Chairman of the Risk Committee (since 2003). Prior to that, he served as Vice-Chairman of the Group Executive Board from 1998 to 2003 and as Chief Risk Officer from 1998 until 2002. His term as a member of the Board expires at the AGM in 2009. The Board has determined him to be independent under the Group's independence standards.

After completing his studies at the University of St. Gallen with degrees in Economics and Law, including a doctorate received in 1968, and after five years at JP Morgan in New

York, Mr. Doerig joined Credit Suisse in 1973. In 1982, he was appointed a member of the Executive Board of Credit Suisse with responsibility for the multinational division, securities trading, capital markets, corporate finance and commercial banking Asia. From 1993 to 1996, he served as Vice-Chairman of the Board of Directors of Credit Suisse. In 1996, he became President of the Executive Board of Credit Suisse. During 1997, he served as Chief Executive Officer of Credit Suisse First Boston.

Mr. Doerig is a member of the Board of Directors of Bühler AG, Uzwil (since 2004) and a member of the Board of the University of Zurich (since 1998). Furthermore, he is a member of the supervisory bodies of several foundations and academic, arts, charitable and professional organizations, as well as the author of a number of publications on finance, education and management.

**Thomas W. Bechtler****Born 1949, Swiss Citizen****Seestrasse 21, 8700 Küsnacht, Switzerland**

Thomas W. Bechtler has been a member of the Board since 1994 and of the Compensation Committee since 2006, on which he had already served from 2003 to 2004. From 1999 to 2003, he served on the Audit Committee and from 2003 to 2006 on the Risk Committee. His term as a member of the Board expires at the AGM in 2008. The Board has determined him to be independent under the Group's independence standards.

Mr. Bechtler studied Law at the universities of Zurich and Geneva. After graduating in 1973, he obtained a Master of Laws degree from Harvard University, Massachusetts, in 1975, and a doctorate from Zurich University in 1976. Mr. Bechtler is the Vice-Chairman and the delegate of the Boards of Directors of Hesta AG, Zug, and Hesta Tex AG, Zug, both largely family-owned companies which own Zellweger Luwa AG, Uster, and Schiesser Group AG, Küsnacht. Mr. Bechtler has been Chairman of the latter companies since 1994 and 1992, respectively.

Mr. Bechtler's other board memberships include: Bucher Industries, Niederweningen (since 1987), Conzetta Holding AG, Zurich (since 1987), Sika AG, Baar (Vice-Chairman; since 1989) and Swiss Reinsurance Company, Zurich (since 1993). Mr. Bechtler is a member of the Board of Trustees of Swisscontact, Zurich, and serves as the Chairman of the Zurich Committee of Human Rights Watch.

**Robert H. Benmosche**

Born 1944, US Citizen

Credit Suisse Group

Paradeplatz 8, 8070 Zurich, Switzerland

Robert H. Benmosche has been a member of the Board since 2002 and of the Compensation Committee since 2003. His term as a member of the Board expires at the AGM in 2008. The Board has determined him to be independent under the Group's independence standards.

Mr. Benmosche was Chairman of the Board and Chief Executive Officer of MetLife, Inc., New York, from the demutualization of the company in 2000 and of Metropolitan Life Insurance Company, New York, from 1998. He retired from these positions in June 2006. Before joining MetLife in 1995, Mr. Benmosche was with PaineWebber, New York, for 13 years, most recently in the position of an Executive Vice President. He received a B.A. degree in Mathematics from Alfred University in 1966.

He does not hold any other significant board memberships.

**Peter Brabeck-Letmathe**

Born 1944, Austrian Citizen

Nestlé SA

Avenue Nestlé 55, 1800 Vevey, Switzerland

Peter Brabeck-Letmathe has been a member of the Board since 1997 and served as Vice-Chairman from 2000 to 2005. From 2000 to 2005 he was also a member of the Compensation Committee and from 2003 to 2005 of the Chairman's and Governance Committee. His term as a member of the Board expires at the AGM in 2008. The Board has determined him to be independent under the Group's independence standards.

Mr. Brabeck-Letmathe studied Economics at the University of World Trade in Vienna. After graduating in 1968, he joined Nestlé's sales operations in Austria. His career at Nestlé includes a variety of assignments in several European countries as well as in Latin America. Since 1987, he has been based at Nestlé's headquarters in Vevey. Since 1997, Mr. Brabeck-Letmathe has served as the Chief Executive Officer of Nestlé and a member of Nestlé's Board of Directors. In 2005, Mr. Brabeck-Letmathe was appointed Chairman of the Board of Directors of Nestlé. In April 2008, Mr Brabeck-Letmathe will retire from his function as Chief Executive Officer of Nestlé.

Mr. Brabeck-Letmathe is a member of the Boards of Directors of L'Oréal SA, Paris (since 1997), and Roche Holding SA, Basel (since 2000). He is also a member of the Foundation Board of the World Economic Forum, a member of the European Round Table of Industrialists and serves as the Manufacturer Co-Chair of ECR Europe.

**Noreen Doyle**

Born 1949, US and Irish Citizen

Credit Suisse Group

Paradeplatz 8, 8070 Zurich, Switzerland

Noreen Doyle has been a member of the Board since 2004 and of the Audit Committee since 2007. From 2004 to 2007 she served on the Risk Committee. Her term as a member of the Board expires at the AGM in 2010. The Board has determined her to be independent under the Group's independence standards.

Ms. Doyle has been First Vice President and Head of Banking of the European Bank for Reconstruction and Development (EBRD) from 2001 to 2005. She joined the EBRD in 1992 as head of syndications, was appointed Chief Credit Officer in 1994 and became Deputy Vice President, Risk Management, in 1997. Prior to joining the EBRD, Ms. Doyle spent 18 years at Bankers Trust Company with assignments in Houston, New York and London.

Ms. Doyle received a B.A. in Mathematics from The College of Mount Saint Vincent, New York, in 1971 and a MBA from Dartmouth College, New Hampshire, in 1974.

She currently serves on the Boards of Directors of the Newmont Mining Corporation, of QinetiQ Group plc., a UK-based defense technology and security company, and of Rexam plc., a global consumer packaging company (all since 2005).

**Jean Lanier**

Born 1946, French Citizen

Credit Suisse Group

Paradeplatz 8, 8070 Zurich, Switzerland

Jean Lanier has been a member of the Board and the Audit Committee since 2005. His term as a member of the Board expires at the AGM in 2008. The Board has determined him to be independent under the Group's independence standards.

Mr. Lanier is the former Chairman of the Managing Board and Group Chief Executive Officer of Euler Hermes, Paris. He also chaired the Boards of the principal subsidiaries of the group. He held these functions from 1998 until 2004. Prior to that, he was the Chief Operating Officer and Managing Director of SFAC, which later become Euler Hermes SFAC (from 1990 to 1997), and of the Euler Group (from 1996 to 1998).

Mr. Lanier started his career at the Paribas Group in 1970, where he worked until 1983 and held among others the functions of Senior Vice President of Paribas Group Finance division and Senior Executive for North America of the Paribas Group in New York. In 1983, he joined the Pargesa Group, where he held the positions of President of Lambert Brussels Capital Corporation in New York from 1983 to 1989 and Man-

aging Director of Pargesa, based in Paris and Geneva, from 1988 to 1990.

He holds a Masters of Engineering from the Ecole Centrale des Arts et Manufactures, Paris (1969), and a Masters of Sciences in Operations Research and Finance from Cornell University, New York (1970).

Mr. Lanier is a member of the Boards of Directors of France Essor (since 1991) and of Paris Re Holdings Ltd (since 2006). He is a Chevalier de la Légion d'Honneur in France and Chairman of the Foundation "Les Amis de l'Arche."

#### **Anton van Rossum**

**Born 1945, Dutch Citizen**

**Credit Suisse Group**

**Paradeplatz 8, 8070 Zurich, Switzerland**

Anton van Rossum has been a member of the Board and the Compensation Committee since 2005. His term as a member of the Board expires at the AGM in 2008. The Board has determined him to be independent under the Group's independence standards.

Mr. van Rossum was the Chief Executive Officer of Fortis, the leading Benelux banking and insurance group, from 2000 to 2004. He was also a member of the Board of Directors of Fortis and chaired the Boards of the principal subsidiaries of the group.

Prior to that, Mr. van Rossum worked for 28 years with McKinsey and Company, where he led a number of top management consulting assignments with a focus on the banking and insurance sectors. He was elected Principal and a Director of the firm in 1979 and 1986, respectively.

He studied Economics and Business Administration at the Erasmus University in Rotterdam, where he obtained a bachelor's degree in 1965 and a master's degree in 1969.

Mr. van Rossum is a member of the Board of Directors of Solvay S.A., Brussels, the international chemical and pharmaceuticals group (since 2006), of Rodamco Europe, Rotterdam, a commercial real estate group (since 2007), and of Vopak NV, Rotterdam (since 2007) whose Chairman he has recently become. He is also the Chairman of the Supervisory Board of the Erasmus University, Rotterdam, a member of the Board of Trustees of the Conference Board, the Chairman of the Netherlands Economic Institute, the International President of the European League for Economic Cooperation and sits on the Boards of several cultural, philanthropic and educational institutions.

#### **Aziz R.D. Syriani**

**Born 1942, Canadian Citizen**

**The Olayan Group**

**111 Poseidonos Avenue, P.O. Box 70228**

**Glyfada, Athens 16610, Greece**

Aziz R.D. Syriani has been a member of the Board since 1998 and Chairman of the Compensation Committee since 2004. He has been a member of the Chairman's and Governance Committee since 2003 and served on the Audit Committee from 2003 to 2007. His term as a member of the Board expires at the AGM in 2010. The Board has determined him to be independent under the Group's independence standards.

Mr. Syriani holds a Law degree from the University of St. Joseph in Beirut (1965) and a Master of Laws degree from Harvard University, Massachusetts (1972). He has been with the Olayan Group since 1978 and currently serves as President (since 1978) and Chief Executive Officer (since 2002). The Olayan Group is a private multinational enterprise engaged in distribution, manufacturing and global investment.

Mr. Syriani serves on the Board of Directors of Occidental Petroleum Corporation, Los Angeles (since 1983), where he is currently the Lead Independent Director and Chairman of the Audit Committee, as well as a member of the Executive and the Corporate Governance Committee.

#### **David W. Syz**

**Born 1944, Swiss Citizen**

**ecodocs AG**

**Dufourstrasse 21, 8702 Zollikon, Switzerland**

David W. Syz has been a member of the Board and the Audit Committee since 2004. His term as a member of the Board expires at the AGM in 2010. The Board has determined him to be independent under the Group's independence standards.

After completing his studies at the Law School of the University of Zurich and receiving a doctorate from the same university in 1972 and an MBA at INSEAD, Fontainebleau, in 1973, Mr. Syz started his career as Assistant to Director at the Union Bank of Switzerland in Zurich and subsequently held the equivalent position at Elektrowatt AG, Zurich. In 1975, he was appointed Head of Finance at Staefa Control System AG, Stäfa, and became Managing Director after four years. From 1982 to 1984, he was also Chief Executive Officer of Cerberus AG, Männedorf. In 1985, Mr. Syz returned to Elektrowatt AG as Director and Head of Industries and Electronics. In 1996, he was appointed Chief Executive Officer and Managing Director of Schweizerische Industrie-Gesellschaft Holding AG, Neuhausen.

Appointed State Secretary in 1999, Mr. Syz took charge of the new State Secretariat for Economic Affairs, a function from which he retired in 2004.

Mr. Syz is Chairman of the Board of Huber & Suhner AG, Pfäffikon (since 2005, Vice-Chairman from 2004 to 2005), and the Chairman of the Board of ecodocs AG, Zollikon (since 2004). Moreover, he is the Chairman of the Supervisory Board of the Climate Cent Foundation (since 2005), an organization mandated with the implementation of the CO<sub>2</sub> reduction program according to the Kyoto Protocol.

### **Ernst Tanner**

**Born 1946, Swiss Citizen**

**Chocoladenfabriken Lindt & Sprüngli AG**

**Seestrasse 204, 8802 Kilchberg, Switzerland**

Ernst Tanner has been a member of the Board since 2002 and member of the Risk Committee since 2003. His term as a member of the Board expires at the AGM in 2008. The Board has determined him to be independent under the Group's independence standards.

Mr. Tanner is Chairman of the Board (since 1994) and Chief Executive Officer (since 1993) of Lindt & Sprüngli AG, Kilchberg, a Swiss chocolate producer listed on the SWX Swiss Exchange. Before joining Lindt & Sprüngli, Mr. Tanner worked at Johnson & Johnson, which he joined in 1969, most recently as Company Group Chairman of Johnson & Johnson Europe.

Mr. Tanner serves on the Board of Directors of The Swatch Group, Biel (since 1995). He is also a member of the Board of the Zurich Chamber of Commerce and delegate of the Society for the Promotion of Swiss Economy.

### **Richard E. Thornburgh**

**Born 1952, US Citizen**

**Corsair Capital LLC**

**717 Fifth Avenue, New York, NY 10022, US**

Richard E. Thornburgh has been a member of the Board and the Risk Committee since 2006. His term as a member of the Board expires at the AGM in 2009. Due to his former executive function at Credit Suisse, the Board has determined that he is not independent under the Group's independence standards.

Mr. Thornburgh is Vice-Chairman of Corsair Capital, a private equity investment company (since 2006).

He received a BBA from the University of Cincinnati, Ohio, in 1974 and an MBA from the Harvard Business School, Massachusetts, in 1976 and then began his investment banking career in New York with The First Boston Corporation, a predecessor firm of Credit Suisse First Boston. In 1995, Mr. Thornburgh was appointed Chief Financial and Administrative Officer and a member of the Executive Board of CS First Boston. In 1997, he was appointed member of the Group Executive Board where he served until 2005. From 1997 to

1999, Mr. Thornburgh was the Chief Financial Officer of Credit Suisse Group and from 1999 to 2002, he was Vice-Chairman of the Executive Board of Credit Suisse First Boston. In addition, he performed the function of Chief Financial Officer of Credit Suisse First Boston from May 2000 through 2002. From 2003 to 2004, he was the Chief Risk Officer of Credit Suisse Group. In 2004, he was appointed Executive Vice-Chairman of Credit Suisse First Boston.

Mr. Thornburgh also serves on the Boards of Directors of New Star Financial Inc., Boston (since 2006), and of Sparta Insurance, Hartford (since 2007). Furthermore, he serves on the Executive Committee of the University of Cincinnati Foundation and the Investment Committee of the University of Cincinnati.

### **Peter F. Weibel**

**Born 1942, Swiss Citizen**

**Credit Suisse Group**

**Paradeplatz 8, 8070 Zurich, Switzerland**

Peter F. Weibel has been a member of the Board and the Chairman's and Governance Committee as well as the Chairman of the Audit Committee since 2004. His term as a member of the Board expires at the AGM in 2010. The Board has determined him to be independent under the Group's independence standards and an audit committee financial expert within the meaning of the US Sarbanes-Oxley Act of 2002.

After completing his studies in Economics at the University of Zurich in 1968, including a doctorate in 1972, and after working as a consultant at IBM Switzerland for three years, Peter F. Weibel joined the Central Accounting Department at UBS in 1975 and later became a Senior Vice President in its Corporate Banking division. In 1988, he was appointed Chief Executive Officer of Revisuisse, one of the predecessor companies of PricewaterhouseCoopers AG, Zurich, and served as a member of the PricewaterhouseCoopers Global Oversight Board from 1998 to 2001. He retired from his function as Chief Executive Officer of PricewaterhouseCoopers AG, Zurich, in the summer of 2003.

Mr. Weibel is Chairman of the Executive MBA Program of the University of Zurich, a member of the Board of the Greater Zurich Area AG, serves on the Swiss Advisory Council of the American Swiss Foundation and is a member of the Senior Advisory Committee of the Swiss-American Chamber of Commerce. He also serves as Chairman of the Pestalozzi Foundation and the Zurich Art Festival.

### **Honorary Chairman of Credit Suisse Group**

#### **Rainer E. Gut**

**Born 1932, Swiss Citizen**

**Credit Suisse Group**

**Paradeplatz 8, 8070 Zurich, Switzerland**

Rainer E. Gut was appointed Honorary Chairman of Credit Suisse Group in 2000, after he retired as Chairman of the Board, a position he had held since 1986. Mr. Gut was a member of the Board of Directors of Nestlé SA, Vevey, from 1981 to 2005, whereof Vice-Chairman from 1991 to 2000 and Chairman from 2000 to 2005.

As Honorary Chairman, Mr. Gut does not have any function in the governance of the Group and does not attend the meetings of the Board of Directors.

### **Secretaries of the Board of Directors**

**Pierre Schreiber**

**Béatrice Fischer**

# Executive Board

## Members of the Executive Board

The Executive Board is responsible for the day-to-day operational management of Credit Suisse. It develops and implements the strategic business plans for the Group overall as well as for the principal businesses subject to approval by the Board of Directors. It further reviews and coordinates significant initiatives, projects and business developments in the divisions and regions or in the Shared Services functions and establishes Group-wide policies.

The composition of the Executive Board of the Group and the Bank is identical.

**Brady W. Dougan**, CEO <sup>1)</sup>

**Walter Berchtold**, CEO Private Banking

**David J. Blumer**, CEO Asset Management

**Paul Calello**, CEO Investment Banking <sup>2)</sup>

**D. Wilson Ervin**, CRO

**Renato Fassbind**, CFO

**Tobias Guldemann**, Group CRO

**Ulrich Körner**, CEO Credit Suisse Switzerland

**Kai S. Nargolwala**, CEO Credit Suisse Asia Pacific <sup>3)</sup>

**Urs Rohner**, COO and General Counsel

**Robert Shafir**, CEO Credit Suisse Americas <sup>4)</sup>

**Eric M. Varvel**, CEO Credit Suisse Europe, Middle East and Africa <sup>5)</sup>

<sup>1)</sup> since May 5, 2007. Prior to that Mr. Dougan was CEO Investment Banking. In addition, he was also acting CEO Credit Suisse Americas until July 31, 2007.

<sup>2)</sup> since May 5, 2007. Prior to that Mr. Calello was CEO Credit Suisse Asia Pacific, a function he continued to hold ad interim until year-end 2007.

<sup>3)</sup> since January 1, 2008

<sup>4)</sup> since August 1, 2007

<sup>5)</sup> since February 1, 2008, succeeding Michael G. Philipp

Thomas J. Sanzone, Chief Information Officer, stepped down from the Executive Board effective February 29, 2008.

**Brady W. Dougan**

**Born 1959, US Citizen**

**Credit Suisse**

**Paradeplatz 8, 8070 Zurich, Switzerland**

Brady W. Dougan is the Chief Executive Officer (since May 2007). Prior to that he was Chief Executive Officer Investment

Banking and acting Chief Executive Officer Credit Suisse Americas (since January 2006). He has served on the Executive Board since 2003.

Mr. Dougan received a B.A. in Economics in 1981 and an M.B.A. in Finance in 1982 from the University of Chicago, Illinois. After starting his career in the derivatives group at Bankers Trust, he joined Credit Suisse First Boston in 1990. He was the Head of the Equities division for five years, before he was appointed Global Head of the Securities division in 2001. From 2002 to July 2004, he was Co-President, Institutional Services at Credit Suisse First Boston, and from 2004 until the merger with Credit Suisse in May 2005, he was Chief Executive Officer of Credit Suisse First Boston. From May 2005 to year-end 2005, he was Chief Executive Officer of the Credit Suisse First Boston division at the Bank.

Mr. Dougan does not hold any significant board memberships.

**Walter Berchtold**

**Born 1962, Swiss Citizen**

**Credit Suisse**

**Paradeplatz 8, 8070 Zurich, Switzerland**

Walter Berchtold is the Chief Executive Officer Private Banking at Credit Suisse (since January 2006) and a member of the Executive Board (since 2003).

After obtaining a commercial diploma, Mr. Berchtold joined Credit Suisse First Boston Services AG, Zurich, in 1982, and, a year later, transferred as a trader to the precious metal and currency options unit of Valeurs White Weld SA in Geneva, which was later renamed Credit Suisse First Boston Futures Trading SA. In 1987, he was given the task of heading the Japanese convertible notes trading team, and in 1988, he assumed shared responsibility for all the business activities of Credit Suisse First Boston Futures Trading AG in Zurich.

In 1991, Mr. Berchtold joined Credit Suisse in Zurich as Head of Arbitrage in the Securities Trading department. In the following year, he became Head of the Equity Derivatives Trading department. In 1993, he managed the Equity Trading unit and, in 1994, he took on overall responsibility for Credit Suisse's Securities Trading & Sales activities globally.

From 1997 to 2003, Mr. Berchtold was Head of Trading and Sales of Credit Suisse First Boston, Switzerland and thereafter became Country Manager of Credit Suisse First Boston, where he was responsible for the entire Swiss business of Credit Suisse First Boston. From 2003 to July 2004, he was Head of Trading and Sales at Credit Suisse Financial



Executive Board of Credit Suisse (from left to right): Ulrich Körner, Walter Berchtold, Eric M. Varvel, Brady W. Dougan, Urs Rohner, Paul Calello, Renato Fassbind, David J. Blumer, Tobias Guldemann, Robert Shafir, Kai S. Nargolwala, Michael Ryan (extended member), D. Wilson Ervin

Services and, in April 2004, he was appointed Chief Executive Officer of Banking at Credit Suisse Financial Services. In July 2004, he was appointed Chief Executive Officer of the former Credit Suisse, a position he held until the merger with Credit Suisse First Boston in May 2005. Between May 2005 and year-end 2005, he was Chief Executive Officer of the Credit Suisse division at the Bank.

Mr. Berchtold is a member of the Board of the Swiss Bankers Association.

#### **David J. Blumer**

**Born 1968, Swiss Citizen**

**Credit Suisse**

**Paradeplatz 8, 8070 Zurich, Switzerland**

David J. Blumer is the Chief Executive Officer Asset Management at Credit Suisse and a member of the Executive Board (since January 2006).

Mr. Blumer obtained a degree in Economics from the University of Zurich in 1995. Thereafter he joined Credit Suisse in the trading area where he held several positions in Zurich, New York and London. From 1999 to 2003, he was a member of the Special Services Group on the Structured Investment Product desk. In 2003, he was appointed Head of Product Management and, in 2004, he assumed responsibility for Trading and Sales at Credit Suisse Financial Services and was appointed member of the Executive Board of the Credit Suisse division.

Mr. Blumer is a member of the Forum of Young Global Leaders of the World Economic Forum.

#### **Paul Calello**

**Born 1961, US Citizen**

**Credit Suisse**

**11 Madison Avenue, New York, NY 10010, US**

Paul Calello is the Chief Executive Officer Investment Banking at Credit Suisse (since May 2007). Prior to that he was Chief Executive Officer Credit Suisse Asia Pacific, a function he continued to hold ad interim until year-end 2007. He has been a member of the Executive Board since 2004.

Mr. Calello joined Credit Suisse First Boston in 1990 as a founding member of Credit Suisse Financial Products, the former financial derivatives subsidiary of Credit Suisse First Boston. Mr. Calello held several management positions in Credit Suisse First Boston's global derivatives operations and worked in Tokyo, London and New York, before he was appointed Chairman and Chief Executive Officer of the Asia Pacific region of Credit Suisse First Boston in 2002.

Before joining Credit Suisse First Boston, Mr. Calello worked for Bankers Trust in the Global Markets Group in New York and Tokyo from 1987 to 1990, and for the Federal

Reserve System in the Monetary and Economic Policy Group in Boston and Washington from 1983 to 1985.

Mr. Calello obtained a B.A. from Villanova University in 1983 and an MBA from Columbia University, New York, in 1987.

Mr. Calello does not hold any significant board memberships.

#### **D. Wilson Ervin**

**Born 1960, US Citizen**

**Credit Suisse**

**11 Madison Avenue, New York, NY 10010, US**

D. Wilson Ervin is the Chief Risk Officer of Credit Suisse and a member of the Executive Board (since 2005).

Mr. Ervin received a B.A. in Economics from Princeton University, New Jersey, in 1982. He joined Credit Suisse First Boston in 1982 and held various responsibilities, including positions in fixed income and equity capital markets, Australian investment banking and in the Mergers & Acquisitions group. In 1990, Mr. Ervin joined the newly founded Credit Suisse Financial Products, the former derivatives unit of the bank, where he was responsible for new product structuring in the Americas and US corporate marketing. From 1999 to 2005, Mr. Ervin was head of Strategic Risk Management for Credit Suisse First Boston.

Mr. Ervin does not hold any significant board memberships.

#### **Renato Fassbind**

**Born 1955, Swiss Citizen**

**Credit Suisse**

**Paradeplatz 8, 8070 Zurich, Switzerland**

Renato Fassbind is the Chief Financial Officer of Credit Suisse and has served on the Executive Board since 2004.

Mr. Fassbind graduated from the University of Zurich in 1979 with an Economics degree and received a doctorate from the same university in 1982. In addition, Mr. Fassbind has been a Certified Public Accountant since 1986.

After two years with Kunz Consulting AG, Zurich, Mr. Fassbind joined F. Hoffmann-La Roche AG, Basel, where he worked in the Internal Audit Department from 1984 to 1990, and was appointed Head of Internal Audit in 1988. From 1986 to 1987 he was with Peat Marwick (KPMG) in New Jersey, US, working as a public accountant. In 1990, he joined ABB AG, Zurich, where he was Head of Internal Audit from 1990 to 1996 and Chief Financial Officer and member of the Group Executive Board from 1997 to 2002. In 2002, he moved on to the Diethelm Keller Group, Zurich, where he was Chief Executive Officer, before joining Credit Suisse Group in June 2004.

Mr. Fassbind is a member of the Swiss Association of Public Trustees. He does not hold any significant board memberships.

#### **Tobias Guldemann**

**Born 1961, Swiss Citizen**

**Credit Suisse**

**Paradeplatz 8, 8070 Zurich, Switzerland**

Tobias Guldemann is the Group Chief Risk Officer and a member of the Executive Board (since 2004).

Mr. Guldemann studied Economics at the University of Zurich and received a doctorate from the same university in 1989. He joined Credit Suisse's Internal Audit Department in 1986 before transferring to the Investment Banking area in 1990. He later became Head of Derivatives Sales (in 1992), Head of Treasury Sales (in 1993) and Head of Global Treasury Coordination at Credit Suisse (in 1994). In 1997, he was made responsible for the management support of the Chief Executive Officer of Credit Suisse First Boston before becoming Deputy Chief Risk Officer of Credit Suisse Group, a function he held from 1998 to July 2004. From 2002 to 2004, he also served as Head of Strategic Risk Management at Credit Suisse.

Mr. Guldemann does not hold any significant board memberships.

#### **Ulrich Körner**

**Born 1962, Swiss and German Citizen**

**Credit Suisse**

**Paradeplatz 8, 8070 Zurich, Switzerland**

Ulrich Körner is the Chief Executive Officer Credit Suisse Switzerland and Head of Private and Business Banking Switzerland (since January 2006). He has served on the Executive Board since 2003.

Mr. Körner graduated from the University of St. Gallen in 1988, majoring in Banking, and received a doctorate from the same university in 1993. From 1989 to 1993, he was an auditor with PricewaterhouseCoopers and from 1993 to 1998, he was a management consultant with McKinsey & Company in Zurich. In 1998, he joined Credit Suisse as its Chief Financial Officer. From July 2000 to the end of 2001, he served as Head of Technology and Services at Credit Suisse Financial Services. In 2002, he was appointed Chief Financial Officer of Credit Suisse Financial Services and, in 2004, he became Chief Operating and Chief Financial Officer of the former Credit Suisse.

Mr. Körner is the Vice-Chairman of the Board of Trustees of the Swiss Finance Institute and a member of the Board of the Institute of Economics of the University of St. Gallen.

#### **Kai S. Nargolwala**

**Born 1950, British Citizen**

**Credit Suisse**

**Two Exchange Square, 8 Connought Place,**

**Hong Kong, People's Republic of China**

Kai S. Nargolwala is the Chief Executive Officer Credit Suisse Asia Pacific and a member of the Executive Board (since January 2008).

Mr. Nargolwala received a B.A. in Economics from the University of Delhi in 1969 and, thereafter, worked for six years at Peat Marwick Mitchell & Co. in London before joining Bank of America, where he spent almost 20 years in a variety of functions among them Group Executive Vice President and Head of Asia Wholesale Banking Group. In 1999, he joined Standard Chartered PLC where he was Main Board Executive Director with responsibility for governance in Asia and the Group's Global Risk and Special Assets Management functions.

Mr. Nargolwala is a member of the Board of Singapore Telecommunications Ltd (since 2006) and a Fellow of the Institute of Chartered Accountants in England and Wales.

#### **Urs Rohner**

**Born 1959, Swiss Citizen**

**Credit Suisse**

**Paradeplatz 8, 8070 Zurich, Switzerland**

Urs Rohner is the General Counsel and Chief Operating Officer Credit Suisse and a member of the Executive Board (since June 2004).

Mr. Rohner graduated from the Law School of the University of Zurich in 1983 and joined the Swiss law firm Lenz & Stähelin in the same year. From 1988 to 1989, he worked with Sullivan & Cromwell, a New York-based law firm, as a Foreign Associate before returning to Lenz & Stähelin, where he became a partner in 1992, focusing on capital markets, banking, competition and media law. Mr. Rohner is a member of the Zurich and New York bars. In 2000, he became Chief Executive Officer of ProSiebenMedia AG, Unterföhring, and later, after the merger with Sat1, Chairman of the Executive Board and Chief Executive Officer of ProSiebenSat.1 Media AG, Unterföhring, before joining Credit Suisse in June 2004.

Mr. Rohner is a member of the Admission Board and of the Committee of the Admission Board of the SWX Swiss Exchange, Zurich, and serves on the Board of the Zurich Opera House.

**Robert Shafir**

Born 1960, US Citizen

Credit Suisse

11 Madison Avenue, New York, NY 10010, US

Robert Shafir is the Chief Executive Officer Credit Suisse Americas and a member of the Executive Board (since August 2007).

Mr. Shafir received a B.A. in Economics from Lafayette College in 1980 and an M.B.A. from Columbia University, Graduate School of Business, in 1984.

Mr. Shafir joined Credit Suisse from Lehman Brothers, where he worked for 17 years, having served as Head of Equities as well as a member of their Executive Committee. He also held other senior roles, including Head of European Equities and Global Head of Equities Trading, and played a key role in building Lehman's equities business into a global, institutionally focused franchise. Prior to that, he worked at Morgan Stanley in the preferred stock business within the fixed income division.

Mr. Shafir does not hold any significant board memberships.

**Eric M. Varvel**

Born 1963, US Citizen

Credit Suisse

One Cabot Square, London, E14 4QJ, UK

Eric Varvel is the Chief Executive Officer Credit Suisse Europe, Middle East and Africa and a member of the Executive Board (since February 2008).

Mr. Varvel holds a B.A. in Business Finance from Brigham Young University.

Prior to his current function, Mr. Varvel was Co-Head of the Global Investment Banking department and Head of the Global Markets Solutions Group in the Investment Banking division of Credit Suisse for over three years, based in New York. Before that, Mr. Varvel spent 15 years in the Asia Pacific region in a variety of senior roles, including Head of Investment Banking and Emerging Markets Coverage for the Asia Pacific region ex-Japan and as Head of Fixed Income Sales and Corporate Derivative Sales. During that time, Mr. Varvel was based in Tokyo, Jakarta and Singapore.

Mr. Varvel joined the Bank in 1990. Previously, he worked as an analyst for Morgan Stanley in its investment banking department in New York and Tokyo.

Mr. Varvel does not hold any significant board memberships.

# Compensation

This section of the annual report is designed to give a clear and transparent account of how the Compensation Committee of the Board of Directors decides on compensation for the Board of Directors and the Executive Board, how this is accounted for and what the members of the Board and Executive Board receive as compensation.

The market place for financial services professionals is very competitive and the Compensation Committee strives to ensure that Credit Suisse is on a level playing field with respect to compensation at all levels of the organization. The Compensation Committee takes advice from independent external experts to ensure that decisions are made in the context of proper knowledge of the market environment. At the same time, the Committee strives to ensure that the interests of employees, management and shareholders are aligned.

The Compensation Committee is satisfied that this report reflects the manner in which it has reviewed the compensation payable to the Board of Directors and Executive Board. This review has been conducted in the context of the overall approach to compensation which is described below and consistent with the responsibilities as outlined in the Compensation Committee charter. The Committee has also reviewed the disclosures contained in this report and is satisfied that they comply with the various requirements of the Swiss Code of Obligations, US GAAP, the SEC and the SWX.

## Compensation approach, principles and objectives

In addition to the following, for further information on the funding and expensing of share-based compensation, refer to Note 27 – Employee share-based compensation and other benefits in V – Consolidated financial statements – Credit Suisse Group. For information on compensation for the Board of Directors and the Executive Board, refer to Note 3 – Compensation and loans to members of the Board of Directors and the Executive Board in VI – Parent company financial statements – Credit Suisse Group.

### Our approach to compensation

Our approach to compensation is designed to recognize excellence, encourage personal contribution and professional development and align the interests of employees and shareholders. This is a key part of our plan to develop our human capital as we implement our strategy. Compensation is strongly linked

to our guiding principles of client focus, teamwork and protecting our reputation as well as to our Code of Conduct.

### Principles and objectives

Our approach has been developed according to the principles that compensation should be:

- based on performance;
- an incentive for employees to create value; and
- aligned with the marketplace in which Credit Suisse operates.

These principles help ensure that our approach to compensation achieves our objectives to:

- support a performance culture that is based on merit and differentiates and rewards excellent performance;
- reward and recognize individual employee contributions that benefit the entire company;
- attract and retain employees and motivate them to achieve results with integrity and fairness; and
- ensure employees create sustainable value for our shareholders.

Share-based awards are a key feature of our compensation program and are designed to closely align the interests of employees and shareholders.

We aim to compensate employees in line with the market, assuming our performance goals are met. We measure ourselves against a peer group of European and US banks (Citigroup, Inc., Deutsche Bank AG, Goldman, Sachs & Co., JPMorgan Chase & Co., Merrill Lynch & Co., Inc., Morgan Stanley and UBS AG) and other financial service companies, given the different types of businesses within the Group. The criteria used to define our peer companies for the Group as well as the Divisions include the following: (i) comparable scope and complexity of the business platform; (ii) comparable business focus and mix; (iii) common geographic footprint; and (iv) companies with which we compete daily for business and talent. This peer group is reviewed annually by management and the Compensation Committee. We derive our market position by looking at fixed and variable elements of compensation, assuming that business and individual goals are met. In practice, the market will guide the mix between fixed or variable compensation and the balance between cash and share-based compensation.

### The Compensation Committee

The Compensation Committee of the Board of Directors is the supervisory and governing body for compensation policy and practices within the Group and has responsibility for determining, reviewing and proposing compensation for approval by the Board. The Committee consists of not less than three members of the Board of Directors and the Committee's charter states that all members must be independent.

The current members of the Compensation Committee are Aziz R.D. Syriani (Chairman), Thomas W. Bechtler, Robert H. Benmosche and Anton van Rossum. The Compensation Committee has its own charter, which has been approved by the Board. Pursuant to its charter, the Compensation Committee holds at least four meetings per year. Additional meetings may be scheduled if required to discuss urgent matters. The length

of the meetings varies and depends on the agenda. In 2007, the Compensation Committee held seven meetings. The main meeting is held in January with the primary purpose of reviewing the performance of the businesses and the respective management teams, and determining and/or recommending to the Board for approval the overall compensation pools and the compensation payable to the members of the Board, the Executive Board, the head of Internal Audit and certain other members of senior management. Other duties and responsibilities of the Compensation Committee include reviewing and assessing newly established compensation plans or amendments to existing plans and recommending them for approval to the Board. The Chairman of the Compensation Committee decides on the attendance of management at the committee meetings.

#### Approval grid

#### Authority

Establishment or amendment of compensation plans	Board of Directors upon recommendation by the Compensation Committee
Setting bonus pools for the Executive Board and specific businesses	Board of Directors upon recommendation by the Compensation Committee
Board compensation (including the Chairman's compensation) <sup>1</sup>	Board of Directors upon recommendation by the Compensation Committee
Compensation of the Chief Executive Officer	Board of Directors upon recommendation by the Compensation Committee
Compensation for the other Executive Board members	Compensation Committee with information to the Board of Directors
Compensation for the Head of Internal Audit	Compensation Committee upon consultation with the Chairman of the Audit Committee
Compensation for other selected members of management	Compensation Committee

<sup>1</sup> Board members with functional duties (including the Chairman): The Board member concerned does not participate in the decision about his own compensation. Other Board members: Compensation comprises a base fee plus a fee for committee activity which may differ from committee to committee. These fees are subject to a decision by the full Board.

The Compensation Committee is assisted in its work by external legal counsel and Johnson Associates, Inc., a global compensation consulting firm, to ensure that the compensation programs, in the judgment of the Compensation Committee, remain competitive, correspond to market practice and are in line with our compensation approach. Johnson Associates, Inc. is independent from our management and in particular does not provide any other services to us besides supporting the Compensation Committee.

### Overview of the components of compensation at Credit Suisse

The pay of most employees is linked to performance, which is measured on several levels:

- Financial performance on a Group and divisional level (compared with strategic business plans, prior periods and peer performance) and on a team and individual level; and
- Success in meeting certain non-financial performance objectives, such as safeguarding our reputation.

There are two types of compensation, fixed and variable. The mix varies according to the employee's seniority, business and location. Most of the compensation awarded to the majority of employees is fixed.

#### Fixed compensation

Base salaries for employees reflect seniority, experience, skill sets and individual performance. We seek to pay all employees competitive base salaries in order to attract, motivate and retain highly qualified professionals. Our base salary structure is generally aimed at the median compensation level within the industry in the relevant markets (investment banking, private banking, Swiss corporate and retail banking and asset management). The review period is generally annual and set according to local practice. We also seek to provide competitive pension and other benefits in accordance with local market requirements and practice in each jurisdiction in which we operate.

### **Variable compensation (annual incentive performance bonus)**

Payment of variable compensation is determined by the nature of the business, role, location and performance of the employee. Unless there is a contractual obligation, an incentive performance bonus is solely at the discretion of the Group.

- The **cash** bonus component is aimed at rewarding and driving performance above and beyond the requirements of the job function and providing greater earning potential for employees who exceed predetermined targets. In addition, we may pay commissions to employees operating in specific areas of the business where such compensation practices are warranted. The value of commissions paid is determined by formulae, which are reviewed regularly to ensure that they remain competitive.
- The **share-based** bonus component is designed to promote employee retention and align employee and shareholder interests. Share-based compensation programs are typically based on a mandatory deferral rate. The mandatory deferral means only part of the bonus is received in cash, with the remainder in share-based compensation awards.
- We also have employed other long-term incentive bonus plans or programs to assist in hiring at competitive levels and to support the retention of talent.

### **Share-based compensation plans**

#### **Share-based compensation**

Our share-based compensation is an important part of the overall compensation package for select employees and senior executives. Share-based compensation is designed to promote employee retention and align the interests of employees and shareholders. The majority of share-based compensation is granted as part of the annual incentive performance bonus subsequent to the fiscal year to which the incentive performance bonus relates. Share-based compensation is generally subject to restrictive features such as vesting, forfeiture and blocking rules.

#### **Compensation expense**

Compensation expense in any year includes a variable compensation expense for that year's discretionary cash performance bonus and fixed expenses for share-based awards granted in prior years. Recognition in the consolidated statements of income of expense relating to awards granted in prior years is dependent primarily upon the vesting period, which is

determined by the plan, retirement eligibility of employees, moratorium periods and certain other terms.

Total compensation expense for share-based compensation recognized in the consolidated statements of income in compensation and benefits was CHF 2,669 million, CHF 1,646 million and CHF 2,181 million for 2007, 2006 and 2005, respectively. As of December 31, 2007, the total estimated unrecognized compensation expense of CHF 2,365 million related to non-vested share-based compensation will be recognized over the remaining weighted-average requisite service period of 1.3 years.

We generally repurchase our own shares in the open market to satisfy obligations in connection with share-based compensation but can also issue new shares out of available conditional capital. For the year ended December 31, 2007, we delivered approximately 22.1 million shares to employees.

#### **Fair value assumptions for share-based compensation**

In estimating the fair value for share-based compensation, where an observable independent quoted market price is not available, the fair value is calculated on the grant date based on valuation techniques and/or option-pricing models that most accurately reflect the substantive characteristics of the instrument being valued. The underlying assumptions used in the models are determined based on management's assessment of the current market and historical information available at the date of grant that marketplace participants would likely use in determining an exchange price for the instruments.

The inputs for expected volatility and dividend yield used in estimating fair values are based upon the implied market volatility and dividend yield of traded options on Credit Suisse Group shares, the historical volatility and dividend yield of the Group's stock and other relevant factors that indicate how the future is expected to differ from the past. The expected risk-free interest rate is based on the current LIBOR rate at the date of grant that corresponds with the expected term of the award. LIBOR rates are used as a proxy for risk-free interest rates because zero-coupon government issues do not exist in Switzerland. The expected term represents the period of time that the awards are expected to be outstanding and is based on the contractual term of each instrument, taking into account employees' historical exercise and termination behavior.

The following table illustrates the significant assumptions used to estimate the fair value of share options, Performance Incentive Plan (PIP) and Incentive Share Units (ISU) based on the annual incentive performance bonus process.

## Significant fair value assumptions

	2007	2006	2005
<b>Significant assumptions</b>			
Expected volatility, in % <sup>1</sup>	22.95	24.80	29.00
Expected dividend yield, in % <sup>1</sup>	2.41	3.24	3.03
Expected risk-free interest rate, in %	2.63	2.36	1.86
Expected term, in years	3	5	5

<sup>1</sup> Due to current and changing market conditions, the Group refined its methodology in 2005 for estimating the expected volatility and expected dividend yield to include management's assessment of how future implied market yields impact the overall expected assumptions.

### Credit Suisse Incentive Share Unit

Following the integration of Credit Suisse's banking business in 2005 and the launch of the integrated bank in 2006, we aligned our share-based compensation plans and introduced the ISU. This replaced compensation programs that existed in specific businesses and countries with a new Group-wide approach to compensation for all award grants for 2006 and 2007. ISUs, which represent the majority of awards granted subsequent to 2005, ensure a unified approach to share-based compensation as it applies to all employees who receive a bonus above a certain threshold. Previously granted awards will continue to settle under their original terms and are not affected by the ISU.

An ISU is a unit that is similar to shares, but offers additional upside depending on the development of the Credit Suisse Group share price.

The ISUs granted in January 2008 and 2007 were based on 2007 and 2006 performance, respectively, and approximately 9,800 employees with an annual incentive bonus of at least CHF 125,000 were awarded ISUs each year with a mandatory deferral rate that ranged from 16% to 65% of the annual incentive performance bonus. In 2007, we increased the percentage of share-based annual incentive performance bonus, and any incentive performance bonus in excess of CHF 4 million was subject to 100% mandatory deferral.

For each ISU granted, the employee will receive at least one Credit Suisse Group share ("ISU Base Unit") and could receive additional shares ("ISU Leverage Unit") if the monthly average Credit Suisse Group share price increases during the three-year contractual term of the award as compared to the baseline Credit Suisse Group share price determined on the grant date. The final value of each ISU is paid in registered shares of Credit Suisse Group. The total number of shares received for each ISU will equal the final value divided by the share price at maturity (i.e., three years), however, holders will always receive at least one Credit Suisse Group share per ISU.

The total payout for each ISU granted in January 2007 is subject to a cap of three times the value of a Credit Suisse

Group share at grant date (CHF 86.24 per share), which is reached at an average share price of CHF 132 for 2007 awards. For the ISUs granted in January 2008, there is no cap on the total payout of additional shares, however, the number of additional shares per ISU Base Unit is limited to a maximum of ten shares.

The ability to deliver the leverage component is achieved by spending 25% of the value of a share in respect of each ISU on a derivative instrument comprising a number of options. Any gains on these options will be paid to us in the form of Credit Suisse Group shares which will be used to settle the upside component of the ISU.

For the ISUs granted in January 2008 for 2007 performance and in January 2007 for 2006 performance, employees participating in the program received a number of ISUs equal to the amount of their deferred bonus divided by CHF 58.45 and CHF 86.24, respectively, which represents the daily volume weighted-average price for Credit Suisse Group registered shares for the five consecutive trading days on the SWX that ended on the grant date of January 22, 2008 and January 23, 2007, respectively.

Each ISU will vest at a rate of one third of a share per year over three years, with the potential additional shares vesting on the third anniversary of the grant date, depending on the development of the leverage component. Shares will be delivered for vested ISUs within 120 days of each vesting date. Settlement of ISUs is subject to continued employment at the Group and certain retirement arrangements.

The ISU programs for 2006 and 2007 performance include a provision that does not permit early retirement eligibility for employees that would otherwise qualify until two years from grant (the "two-year moratorium period").

On January 23, 2007, we granted ISUs of 26.7 million. The fair value of the ISU Base Unit was CHF 87.30 and the fair value of the 2007 ISU Leverage Unit was CHF 20.85. The compensation expense recognized in 2007 for these awards was CHF 1,159 million. The estimated unrecognized compensation expense related to these awards as of December 31,

2007, was CHF 1,530 million and will be recognized over a period of two years. None of the ISUs were vested as of December 31, 2007.

On January 22, 2008, we granted 46.4 million ISUs. The fair value of the ISU Base Unit was CHF 54.90, and the fair value of the ISU Leverage Unit was CHF 10.69. The fair value of the ISU Leverage Unit was based on a valuation using an expected volatility of 32.04%, an expected dividend yield of

5.46%, an expected risk-free rate of 2.45% and an expected term of three years. The recognition of accounting expense for the ISUs granted on January 22, 2008 began in 2008 and, thus, had no impact on the 2007 financial statements. The expected unrecognized compensation expense of CHF 2,839 million will be recognized over a period of three years, subject to early retirement rules.

## Incentive Share Unit activities

2007	ISU Base
<b>Number of awards (million)</b>	
<b>Balance at beginning of period</b>	<b>0.0</b>
Granted	27.2
Settled	(0.4)
Forfeited	(1.4)
<b>Balance at end of period</b>	<b>25.4</b>

### Performance Incentive Plan

The PIP is a share-based long-term retention incentive program that was used in compensation for 2004 and 2005 performance, granted in early 2005 and early 2006, respectively.

The PIP was designed to compensate, incentivize and retain senior management and executives during 2004 and 2005, a period of fundamental change for Credit Suisse. Rebuilding the business, particularly in Investment Banking, during 2003 and 2004, restructuring our banking business and creating the integrated bank in 2005 were critical steps that demanded special management effort. Management was incentivized and rewarded with PIP units. This period was also characterized by intense international competition for employees in some of our businesses. Hence, PIP was also used as a tool to retain key senior management. PIP closely links senior management with the delivery of our strategy. PIP requires continued employment with the Group during a five-year vesting period and contain strict rules for participants leaving to join a competitor.

All or a portion of the mandatory deferral of the annual performance incentive bonus was converted into PIP units using the Group's share price of CHF 47.45 for the 2004 PIP (PIP I) and CHF 72.00 for the 2005 PIP (PIP II). PIP units vest over a five-year period. If all financial targets over the five-year vesting period of a PIP are achieved, and if the share price in absolute and relative terms meets the performance criteria, PIP units could convert into up to nine Group shares in PIP I and up to six Group shares in PIP II. It is also possible that PIP

units could become worthless should we fail to meet all performance targets or share price targets.

PIP units initially granted turn into final gain for participants by accruing value from three sources: (i) Performance Multiplier – based on achieving sustainable (i.e., over five years) earnings targets; (ii) Share Price Multiplier – based on creating sustainable shareholder value; and (iii) Share Price Appreciation – like any other shareholder owning an equal number of shares, the participant can, given the share price performance, benefit from a capital gain at settlement of the plan.

Each PIP unit will settle for a specified number of Credit Suisse Group registered shares subsequent to the fifth anniversary of the grant date based on the achievement of: (i) earnings per share performance compared to predefined targets ("performance conditions"); and (ii) share price performance compared to predefined targets and share price performance relative to peers ("market conditions"). The performance conditions may be adjusted by the Compensation Committee if appropriate to exclude effects that do not relate to the normal banking business (including, for example, gains triggered by accounting changes or the gain on the sale of Group companies). The performance conditions will determine the multiplier, ranging between zero and three, for the final number of PIP units. The market conditions will determine the number of shares that each PIP unit will convert into at settlement. This will be in a range of between zero and three shares for PIP I and zero and two shares for PIP II. The PIP I units granted in 2005 will ultimately settle for between zero and nine shares

and the PIP II units granted in 2006 will ultimately settle for between zero and six shares.

The achievement of the share price targets and relative share price performance for PIP I is measured based on the Group's average share price over a three-month period prior to settlement and can result in the delivery of a minimum of zero shares at a share price below CHF 30 and a maximum of three shares at a share price of CHF 90 or higher. The achievement of the share price targets and relative share price performance for PIP II is measured based on the Group's average share price over a three-month period prior to settlement and can result in the delivery of a minimum of zero shares at a share price below CHF 47 and a maximum of two shares at a share price of CHF 160 or higher.

PIP II includes the two-year moratorium period for early retirement eligibility.

Compensation expense for employees who are eligible for retirement at the grant date, or who become eligible for retirement during the scheduled vesting period, is determined by taking the number of PIP units expected to vest multiplied by their grant date fair value. The fair values of the PIP I and PIP II units granted to these employees were CHF 83.75 and CHF 145.36, respectively. These fair values were determined taking into account the estimated outcome of both the performance and market conditions, are fixed at the grant date, and are not remeasured or adjusted subsequent to the grant date unless the terms and conditions of the award are modified.

Compensation expense for employees who do not become eligible for retirement during the scheduled vesting period is determined by taking the number of PIP units expected to vest multiplied by both their grant date fair value and estimated outcome of the performance condition. The grant date fair values of the PIP I and PIP II units granted to these employees were CHF 51.70 and CHF 79.87, respectively. These fair values consider an estimated outcome for the market conditions, are fixed at the grant date and are not remeasured or adjusted subsequent to the grant date unless the terms and conditions of the award are modified. Management reassesses its estimate of the outcome of the performance conditions annually and adjusts compensation expense accordingly. Based on the estimated outcome of the performance condition as of December 31, 2007, the compensation expense reflects a conversion of each initial PIP I and PIP II award into 3.0 PIP units at the end of the vesting period. However, these estimates depend upon the market environment and our financial performance over the remainder of the vesting periods and, therefore, management cannot predict whether the number of PIP units will be the maximum of three or a lesser amount.

The compensation expense recognized during 2007 related to PIP I and PIP II was CHF 451 million. The estimated unrecognized compensation expense related to PIP I and PIP II as of December 31, 2007, was CHF 269 million and will be recognized over a period of three years. None of the PIP units were due for settlement as of December 31, 2007.

## Performance Incentive Plan activities

	2007		2006		2005	
	PIP II	PIP I	PIP II	PIP I	PIP II	PIP I
<b>Number of awards (million)</b>						
<b>Balance at beginning of period</b>	<b>6.3</b>	<b>12.4</b>	<b>0.0</b>	<b>12.8</b>	<b>-</b>	<b>-</b>
Granted	0.4	0.0	6.5	0.0	-	14.1
Settled	0.0	0.0	0.0	(0.1)	-	0.0
Forfeited	(0.2)	(0.1)	(0.2)	(0.3)	-	(1.3)
<b>Balance at end of period</b>	<b>6.5</b>	<b>12.3</b>	<b>6.3</b>	<b>12.4</b>	<b>-</b>	<b>12.8</b>
of which vested	1.7	5.6	0.0	2.6	-	-
of which unvested	4.8	6.7	6.3	9.8	-	12.8

## Shares

In addition to the PIP, our share-based compensation in prior years has included three different types of share awards: phantom shares; longevity premium awards (LPA); and special awards. These share awards entitle the holder to receive one Credit Suisse Group registered share subject to continued

employment with the Group, restrictive covenants and cancellation provisions, and generally vest between zero and three years. In 2006, we introduced the ISU share-based plan described above to replace the phantom share and LPA awards granted in prior years.

Phantom shares vest in three equal installments on each of the first, second and third anniversaries of the grant date and convert to registered Credit Suisse Group shares within 120 days of vesting or are blocked for a period of one year after the shares vest depending on the location of the grant recipient.

LPA's vest in full on the third anniversary of the grant date and either convert to Credit Suisse Group shares within 120 days of vesting or are blocked for a period of one year after the shares vest depending on the location of the grant recipient.

Special awards are generally shares granted to new employees and are in addition to the annual bonus grants. These special awards may contain vesting conditions depending on the terms of employment.

The compensation expense recognized in 2007 related to shares awarded under phantom share, LPA and special awards was CHF 1,059 million. The estimated unrecognized compensation expense related to these awards as of December 31, 2007, was CHF 566 million and will be recognized over a period of four years.

## Share award activities

	2007		2006		2005	
	Number of share awards in million	Weighted-average grant-date fair value in CHF	Number of share awards in million	Weighted-average grant-date fair value in CHF	Number of share awards in million	Weighted-average grant-date fair value in CHF
<b>Share award activities</b>						
<b>Balance at beginning of period</b>	<b>50.9</b>	<b>60.65</b>	<b>47.2</b>	<b>47.89</b>	<b>76.5</b>	<b>47.44</b>
Granted	4.8	81.00	26.3	72.42	23.4	49.42
Settled	(24.6)	56.81	(19.4)	46.42	(47.0)	48.40
Forfeited	(2.3)	62.32	(3.2)	55.58	(5.7)	43.89
<b>Balance at end of period</b>	<b>28.8</b>	<b>67.20</b>	<b>50.9</b>	<b>60.65</b>	<b>47.2</b>	<b>47.89</b>
of which vested	0.3	–	2.8	–	4.0	–
of which unvested	28.5	–	48.1	–	43.2	–

## Share options

Options were a substantial component of our share-based program prior to 2004. We discontinued the practice of issuing options and the majority of the original grants have since vested. Share options were granted with an exercise price equal to the market price of Credit Suisse Group's shares on the date of grant and expire after ten years.

Share options granted to employees entitle the holder to purchase one Credit Suisse Group share at a stated exercise price subject to continued employment with the Group through the vesting period, restrictive covenants and cancellation provisions.

Share options granted as compensation awards generally vest on the grant date, whereas share options granted as retention incentive awards generally vest between one and five years.

The weighted-average fair value of options granted during 2006 and 2005 was CHF 12.12 and CHF 9.50, respectively.

There were no options granted during 2007. As of December 31, 2007, the aggregate intrinsic value of options outstanding and exercisable was CHF 454 million and the weighted-average remaining contractual term was 3.5 years. As of the exercise date, the total intrinsic value of options exercised during 2007, 2006 and 2005 was CHF 318 million, CHF 235 million and CHF 141 million, respectively. Cash received from option exercises during 2007, 2006 and 2005 was CHF 350 million, CHF 330 million and CHF 196 million, respectively.

As of December 31, 2007, there were 2.5 million fully vested and exercisable options outstanding containing a cash settlement feature. These options had a weighted-average exercise price of CHF 69.68 and a weighted-average remaining contractual term of 1.9 years. During 2007, there were 0.3 million exercises of options with a cash settlement feature, no forfeitures and 0.7 million of these options were settled for CHF 23.7 million in cash.

## Share option activities

	2007		2006		2005	
	Number of share awards in million	Weighted-average grant-date fair value in CHF	Number of share awards in million	Weighted-average grant-date fair value in CHF	Number of share awards in million	Weighted-average grant-date fair value in CHF
<b>Share options</b>						
<b>Balance at beginning of period</b>	<b>49.0</b>	<b>59.64</b>	<b>57.7</b>	<b>57.48</b>	<b>64.8</b>	<b>55.01</b>
Granted	–	–	0.1	71.60	0.1	48.05
Exercised	(7.8)	47.50	(7.5)	44.44	(6.2)	31.93
Settled	(0.7)	60.19	(0.6)	59.34	(0.1)	65.88
Forfeited	(0.7)	75.31	(0.6)	51.55	(0.6)	50.03
Expired	(0.2)	35.52	(0.1)	17.65	(0.3)	57.09
<b>Balance at end of period</b>	<b>39.6</b>	<b>61.86</b>	<b>49.0</b>	<b>59.64</b>	<b>57.7</b>	<b>57.48</b>
Exercisable at end of period	38.2	61.12	44.1	60.24	53.9	58.60

### Hedging of awards

We economically hedge our estimated obligation to deliver shares under our employee share-based compensation programs through a combination of purchasing treasury shares in the market and entering into third party hedge instruments. Additionally, in very limited circumstances we may use our approved conditional capital to obtain shares for delivery of our share-based awards. We periodically revise our estimate of the expected number of shares to be delivered and adjust our hedging positions accordingly.

### Compensation and loans to members of the Board of Directors and the Executive Board

As required by applicable Swiss law (Article 663b bis and Article 663c, par 3 Swiss Code of Obligations), the following disclosure describes compensation paid to and equity holdings of the members of the Board of Directors and the members of the Executive Board as well as loans granted to this group of people and companies related to them.

### Compensation and loans to members of the Board of Directors

#### Overview

Compensation to members of the Board of Directors is set in accordance with the AoA and the Compensation Committee Charter. The annual compensation paid to members of the Board is fixed and set by the Board of Directors based on the recommendation of the Compensation Committee. Compensation for members of the Board of Directors with no functional duties (nine individuals) is in the form of cash (35%) and Credit Suisse Group registered shares (65%), which are blocked for a period of four years.

Members of the Board of Directors with functional, non-executive duties (four individuals) receive fixed and variable compensation for their services set by the Board of Directors. With the exception of the Chairman of the Board of Directors, the variable compensation for the other three individuals is not directly dependent on the performance of the Group but on personal performance and time commitment. Such compensation is paid in the form of cash and Credit Suisse Group registered shares, blocked for a period of four years.

## Compensation for the members of the Board of Directors

	Cash	% of total remuneration	Value of share-based awards	% of total remuneration	Pension and similar benefits	Other compensation categories <sup>1</sup>	Total remuneration	Number of shares <sup>2</sup>
<b>2007/2008 (in CHF) <sup>3</sup></b>								
Walter B. Kielholz, Chairman <sup>4</sup>	8,500,000	58%	6,100,000	42%	–	24,000	14,624,000	104,363
Hans-Ulrich Doerig, Vice-Chairman and Chairman of the Risk Committee <sup>4</sup>	2,875,000	57%	2,125,000	42%	–	27,381	5,027,381	36,356
Thomas W. Bechtler	122,500	35%	227,500	65%	–	–	350,000	2,400
Robert H. Benmosche	122,500	35%	227,500	65%	–	–	350,000	2,400
Peter Brabeck-Letmathe	87,500	35%	162,500	65%	–	–	250,000	1,715
Noreen Doyle	140,000	35%	260,000	65%	–	–	400,000	2,743
Jean Lanier	140,000	35%	260,000	65%	–	–	400,000	2,743
Anton van Rossum	122,500	35%	227,500	65%	–	–	350,000	2,400
Aziz R.D. Syriani, Chairman of the Compensation Committee <sup>4</sup>	522,500	70%	227,500	30%	–	–	750,000	3,892
David W. Syz	140,000	35%	260,000	65%	–	–	400,000	2,743
Ernst Tanner	122,500	35%	227,500	65%	–	–	350,000	2,400
Richard E. Thornburgh	122,500	35%	227,500	65%	–	–	350,000	2,400
Peter F. Weibel, Chairman of the Audit Committee <sup>4</sup>	1,195,000	66%	600,000	33%	–	10,000	1,805,000	10,266
<b>Total</b>	<b>14,212,500</b>	<b>56%</b>	<b>11,132,500</b>	<b>44%</b>	<b>–</b>	<b>61,381</b>	<b>25,406,381</b>	<b>176,821</b>
<b>2006/2007 (in CHF)</b>								
<b>Total</b>	<b>14,617,500</b>		<b>12,227,500</b>		<b>–</b>	<b>63,136</b>	<b>26,908,136</b>	<b>146,532</b>
of which highest paid:								
Walter B. Kielholz, Chairman	9,000,000		7,000,000		–	24,000	16,024,000	81,169

<sup>1</sup> Other compensation includes lump sum expenses, child allowance and health care allowance. <sup>2</sup> Value of shares included in total remuneration. <sup>3</sup> Fees for members of the Board of Directors without functional, non-executive duties are paid in advance for the period from one AGM to the other, i.e. from May 4, 2007 to April 25, 2008. The applicable share price was CHF 94.80. <sup>4</sup> Variable compensation elements for members of the Board of Directors with functional duties are determined by the Board of Directors in the course of the regular management compensation process. The applicable share price was CHF 58.45.

### 2007 total compensation of the Chairman of the Board of Directors

Our executive compensation policies guided the compensation recommendations made by the Compensation Committee and approved by the Board of Directors with respect to the 2007 compensation for Mr. Kielholz as Chairman of the Board of Directors.

For 2007, the Compensation Committee based its total compensation recommendation on its review of: (i) the Group's core operating financial performance relative to its 2007 plan and 2006 results, as well as the relative performance of Credit Suisse to that of its competitors; (ii) Mr. Kielholz's leadership and contribution in several areas, namely: (a) the planned succession and orderly transition of the CEO position to Mr. Dougan; (b) the continued emphasis on risk management and corporate governance procedures across the Group; and (c) a focused discipline on leadership development, succession planning and performance management practices across the

Group; and (iii) the complexity and breadth of the role that Mr. Kielholz performs as Chairman.

### Additional fees and remuneration

Two former members of the Board of Directors are eligible to receive office infrastructure and secretarial support. These services are based on existing resources and are not used on a regular basis.

No additional fees, severance payments or forms of remuneration were paid to current or former members of the Board of Directors or related parties during 2007.

### Share, PIP unit and option holdings of members of the Board of Directors

The holdings as disclosed below include the holdings of the respective member of the Board of Directors, their close family members and companies where they have a controlling interest.

## Share holdings by individual

	Number of shares <sup>1</sup>
<b>December 31, 2007</b>	
Walter B. Kielholz	347,279
Hans-Ulrich Doerig	137,341
Thomas W. Bechtler	32,517
Robert H. Benmosche	24,614
Peter Brabeck-Letmathe	51,657
Noreen Doyle	15,203
Jean Lanier	11,292
Anton van Rossum	19,376
Aziz R.D. Syriani	44,490
David W. Syz	62,845
Ernst Tanner	38,333
Richard E. Thornburgh <sup>2</sup>	88,444
Peter F. Weibel	18,949
<b>Total</b>	<b>892,340</b>
<b>December 31, 2006</b>	
<b>Total</b>	<b>782,736</b>

<sup>1</sup> Includes shares that are subject to a blocking period of up to four years. <sup>2</sup> Richard E. Thornburgh was also granted 98,935 PIP I units in his former position as a member of the Executive Board.

## Option holdings by individual

December 31, 2007	Richard E. Thornburgh	Hans-Ulrich Doerig	Expiry date	Exercise price in CHF
<b>Year of grant</b>				
2002	–	75,000	03.12.12	34.10
2001	215,116	97,792	25.01.11	84.75
2000	100,000	100,000	01.03.10	74.00
<b>Total</b>	<b>315,116</b>	<b>272,792</b>	–	–

Credit Suisse policy is to compensate members of the Board with Credit Suisse Group shares. Option holdings were acquired by the named individuals in their previous capacities as members of senior management. As of December 31, 2007, none of the members of the Board of Directors holds options purchased from personal funds.

## Aggregate option holdings as of December 31, 2006

December 31, 2006	Number of options	Expiry date	Exercise price in CHF
<b>Year of grant</b>			
2002	75,000	03.12.12	34.10
2001	312,908	25.01.11	84.75
2000	200,000	01.03.10	74.00
1999	10,000	18.02.09	57.75
<b>Total</b>	<b>597,908</b>	<b>-</b>	<b>-</b>

## Loans to members of the Board of Directors

	Balance	Whereof loans to related parties <sup>1</sup>
<b>December 31, 2007 (in CHF)</b>		
Walter B. Kielholz	2,000,000	-
Hans-Ulrich Doerig	3,000,000	-
Thomas W. Bechtler	8,450,000	3,950,000
Robert H. Benmosche	73,863	-
Peter Brabeck-Letmathe	4,561,700	-
David W. Syz	1,500,000	1,500,000
Ernst Tanner	5,050,000	-
Richard E. Thornburgh	70,750	-
<b>Total</b>	<b>24,706,313</b>	<b>5,450,000</b>
<b>December 31, 2006 (in CHF)</b>		
<b>Total <sup>2</sup></b>	<b>32,117,961</b>	<b>-</b>

<sup>1</sup> Related parties mean loans to close family members and loans to companies where the respective member of the Board of Directors has 50% or more equity ownership or voting rights. <sup>2</sup> The number of individuals with outstanding loans at the beginning and at the end of the year was eight and seven, respectively.

A large majority of loans outstanding to members of the Board of Directors are mortgages or loans against securities. Such loans are made on the same terms available to third-party customers. As of December 31, 2007, 2006 and 2005, outstanding loans to the members of the Board amounted to CHF 25 million, CHF 32 million and CHF 27 million, respectively.

Members of the Board of Directors are not granted employee conditions on any loans extended to them, but such loans are subject to conditions applied to customers with a comparable credit standing. In addition to loans listed above, banking subsidiaries of Credit Suisse have entered into financing and other banking agreements with companies in which current members of the Board of Directors have a significant influence as defined by the SEC. As of December 31, 2007, the total exposure to such related parties amounted to CHF 8

million, including all advances and contingent liabilities, and was in the ordinary course of business and granted at arm's-length. The respective amount as of December 31, 2006, was CHF 3.6 million. The highest exposure to such related parties for any of the years in the three-year period ended December 31, 2007, did not exceed in aggregate CHF 47.4 million.

We, together with our subsidiaries, are a global financial services provider and, in particular, have major corporate banking operations in Switzerland. We, therefore, typically have relationships with many large companies including those in which our Board members assume management functions or board member responsibilities. All relationships between us or our banking subsidiaries and members of the Board of Directors and their affiliated companies are in the ordinary course of business and at arm's-length.

## Executive compensation

### Credit Suisse's approach to executive compensation

In line with our overall approach to compensation, our executive compensation policies are designed to attract executives of the highest quality, to retain them by rewarding them for superior performance and to motivate them for outstanding performance in the future. In addition, compensation should encourage strong teamwork and a meaningful alignment with the integrated bank strategy and the interests of shareholders.

Furthermore, and in support of the above objectives, the Compensation Committee established a bonus pool framework linked directly to our performance for the Executive Board, including the CEO. The bonus pool was used to define the total amount available for bonus payments, which were then delivered in cash and deferred share-based compensation. At the beginning of the year, a target bonus pool for this executive population was set assuming specific, pre-defined Credit Suisse financial and non-financial performance goals would be achieved in 2007. At the conclusion of the year, the Compensation Committee performed an assessment versus those goals and then modified the size of the available bonus pool based on actual results. The final bonus pool was then distributed to the members of the Executive Board and the CEO based on business performance, individual contributions and competitive compensation levels.

The performance criteria used in this framework of determining the size of the total bonus pool for the Executive Board and the CEO included the following:

- the financial performance of the Group adjusted for extraordinary items compared to the strategic business plan;
- assessment of delivery of defined non-financial targets in relation to our strategy;
- consideration of the Group's performance against the performance of its peer companies;
- measurement against market information of companies with similar scope and complexity; and
- measurement of shareholder satisfaction, assessed by reviewing objective data regarding the Group's financial

performance, with a focus on revenue growth, pre-tax margin growth, return on equity and earnings per share.

This approach is designed to assess performance in relation to the delivery of the strategic plan and satisfaction of the expectations of shareholders.

### Executive compensation components

In line with our overall approach, executive compensation consists of a fixed salary and a variable performance bonus. Salaries for members of the Executive Board are reviewed annually. The annual performance bonus usually represents the most significant part of an executive's total compensation package and varies from year to year depending on the executive's performance. Part of the bonus is awarded in cash and a part in share-based awards. As a matter of policy, share-based awards are usually a material portion of each executive's compensation and are subject to vesting, holding and future performance requirements.

### Credit Suisse's executive compensation in 2007

Executive compensation for 2007 was based on the general approach set out above. In 2007, the members of the Executive Board (13 individuals) received on average, as a percentage of their total compensation, 7% salary, 19% cash bonus, 71% share-based awards and 3% other compensation.

The mandatory deferral amount of the total bonus for the CEO and the other members of the Executive Board was based on the approved share plan deferral schedule, materially reduced to reflect the revision of 2007 earnings as a result of the revaluing of certain ABS positions in our CDO trading business.

As in previous years, members of the Executive Board participated in the bank-wide share-based compensation plan and received ISUs or, to a limited extent, other share-based awards for performance in 2007. This participation is designed to ensure that executive compensation is in line with our overall approach to compensation.

## Compensation for the members of the Executive Board

	Cash <sup>1</sup>	% of total remuneration	Value of share-based awards <sup>2</sup>	% of total remuneration	Pension and similar benefits	Other compensation categories <sup>3</sup>	Total remuneration	Number of share-based awards <sup>4</sup>
<b>2007 (in CHF million, except where indicated)</b>								
13 individuals <sup>5</sup>	42.0	26%	115.2	71%	1.5	3.4	162.1	1,659,896
of which highest paid:								
Brady W. Dougan	3.4	16%	17.9	80%	0.01	0.98	22.3	272,866
<b>2006 (in CHF million, except where indicated)</b>								
8 individuals	83.7	55%	67.7	44%	1.4	0.2	153.0	660,956

<sup>1</sup> Includes base salary for each Executive Board member ranging between CHF 0.65 million and CHF 1.25 million per year. The balance is variable cash compensation. <sup>2</sup> Share-based awards include 1,427,682 ISUs granted in 2008, each of which has a base component and a leverage component. The fair value of the base component of each ISU is CHF 54.90 and the fair value of the leverage component of each ISU is CHF 10.69. The total fair value of each ISU is CHF 65.59. The remainder refers to other share-based awards. <sup>3</sup> Other compensation includes lump sum expenses, child allowance, health care allowance and dividend and par value reduction equivalents. <sup>4</sup> All such share-based awards are included in the total remuneration. <sup>5</sup> Includes Oswald J. Grübel through May 4, 2007. Mr. Grübel is no longer an employee of the Group following his decision to retire as of May 5, 2007. Includes also Robert Shafir, who joined the Group as of August 1, 2007.

The per capita change in the total compensation value of the 2007 Executive Board members versus that of the 2006 values can be attributed to the following reasons: (i) the composition of the Executive Board in 2007 has changed; (ii) the impact of the Group's financial performance relative to its 2007 plan and the share price development during the year; and (iii) differentiated adjustments in personal compensation based on division performance.

### 2007 total compensation of the highest paid member of the Executive Board

Our executive compensation policies guided the compensation recommendations made by the Compensation Committee and approved by the Board of Directors with respect to the 2007 compensation for Brady W. Dougan.

For 2007, the Compensation Committee based its total compensation recommendation on its review of: (i) the Group's core operating financial performance relative to its 2007 plan and 2006 results, as well as the relative performance of Credit Suisse to that of its competitors; (ii) the share price development of Credit Suisse in 2007; (iii) the delivery of key integrated bank business objectives, specifically: (a) establishing Centers of Excellence that leverage the global talent pool and worldwide resources in order to supply high-quality internal services at competitive costs; (b) leveraging resources across Private Banking, Investment Banking and Asset Management to deliver the integrated bank, maximizing opportunities to innovate and offer products and services to our clients that drive growth and profitability; and (c) building the capability and mindset of continuous improvement, supporting the

Group's strategy to consistently deliver measurable efficiencies by systemically improving the cost structure and business processes of Credit Suisse; and (iv) the complexity and scope of the role that Mr. Dougan performs as CEO.

Mr. Dougan's annual total compensation was CHF 22.3 million for 2007. The percentage composition of his total compensation was: 6% salary, 10% cash bonus, 80% ISUs and 4% other compensation.

### Additional fees and remuneration

Three former members of our most senior executive body are eligible to receive office infrastructure and secretarial support. These services are based on existing resources and are not used on a regular basis. In addition, we have concluded an agreement with Oswald J. Grübel for the period of one year to act as a Senior Advisor to the Chairman of the Board. For his services, Mr. Grübel received a flat fee of CHF 150,000. During this period, Mr. Grübel received office infrastructure and secretarial support for which he compensated us in the amount of CHF 75,000.

No additional fees, severance payments or forms of remuneration were paid to current or former members of the most senior executive body or related parties during 2007.

### Share, PIP unit, ISU and option holdings of members of the Executive Board

The holdings disclosed include the holdings of the respective members of the Executive Board, their close family members and companies where they have a controlling interest.

## Units by individual

	Number of vested shares	Number of unvested shares	Number of ISUs	Number of options	Number of PIP I units	Number of PIP II units
<b>December 31, 2007</b>						
Brady W. Dougan	191,016	156,673	202,928	408,400	271,898	78,102
Walter Berchtold	181,668	26,042	92,765	–	130,401	104,167
David J. Blumer	36,027	17,362	66,675	–	71,497	69,445
Paul Calello	335,190	95,481	126,830	241,184	142,937	57,063
D. Wilson Ervin	29,158	11,957	43,485	–	44,210	66,671
Renato Fassbind	–	10,417	43,484	–	20,746	41,667
Tobias Guldimann	59,810	5,209	23,192	31,640	17,782	20,834
Ulrich Körner	89,669	16,494	66,675	59,668	77,055	65,973
Michael G. Philipp	38,786	44,035	77,910	–	99,627	44,507
Urs Rohner	–	13,889	57,978	–	35,564	55,556
Thomas J. Sanzone	61,488	17,793	47,109	–	–	44,507
Robert Shafir	–	45,042	115,959	–	–	71,213
<b>Total</b>	<b>1,022,812</b>	<b>460,394</b>	<b>964,990</b>	<b>740,892</b>	<b>911,717</b>	<b>719,705</b>
<b>December 31, 2006</b>						
<b>Total</b>	<b>1,125,755 <sup>1</sup></b>	<b>–</b>	<b>–</b>	<b>1,756,464</b>	<b>842,936</b>	<b>524,723</b>

<sup>1</sup> Includes all shares whether or not vested.

## Option holding by individual

	Brady W. Dougan	Paul Calello	Tobias Guldimann	Ulrich Körner	Expiry date	Exercise price in CHF
<b>Year of grant (December 31, 2007)</b>						
2002	–	–	–	15,000	31.01.12	65.75
2001	368,400	241,184	15,640	24,668	25.01.11	84.75
2000	40,000	–	16,000	20,000	01.03.10	74.00
<b>Total</b>	<b>408,400</b>	<b>241,184</b>	<b>31,640</b>	<b>59,668</b>	<b>–</b>	<b>–</b>

All options on shares were granted as part of the previous years' compensation. As of December 31, 2007, none of the members of the Executive Board holds options purchased from personal funds.

## Aggregate option holdings as of December 31, 2006

	Number of options	Expiry date	Exercise price in CHF
<b>Year of grant (December 31, 2006)</b>			
2004	169,924	30.04.14	45.70
2003	1,011,250	22.01.13	30.60
2002	11,250	03.12.12	34.10
2001	384,040	25.01.11	84.75
2000	156,000	01.03.10	74.00
1999	24,000	18.02.09	57.75
<b>Total</b>	<b>1,756,464</b>	<b>-</b>	<b>-</b>

### Loans to members of the Executive Board

A large majority of loans outstanding to members of the Executive Board are mortgages or loans against securities. Such loans are made on the same terms available to third-party customers or pursuant to widely available employee benefit plans. As of December 31, 2007, 2006 and 2005, outstanding loans to the members of the Executive Board amounted to CHF 22 million, CHF 17 million and CHF 13 million, respectively. The number of individuals with outstanding loans at the beginning and at the end of the year was six and eight, respectively, and the highest loan outstanding was CHF 4.7 million to David J. Blumer.

All mortgage loans to members of the Executive Board are granted either with variable interest rates or with fixed interest rates over a certain period. Typically, fixed rate mortgages are granted for periods of up to five years, in some cases up to ten years. Interest rates applied are based on refinancing costs plus a margin and interest rates and other terms are consistent with those applicable to other employees. Loans against securities are granted at interest rates and on terms applicable to such loans granted to other employees. Interest rates applied are based on refinancing costs plus a margin. When granting a loan to these individuals, the same credit

approval and risk assessment procedures apply as for loans to other employees.

### Advisory Board

The Group's Advisory Board was discontinued during 2007. For their services, the former members of the Advisory Board received an annual fee in the amount of CHF 30,000 (Swiss-based members) and CHF 40,000 (non-Swiss-based members). The former Chairman of the Advisory Board, Flavio Cotti, received CHF 60,000.

The members of the Advisory Board during 2007 were: Flavio Cotti, Andreas N. Koopman, Franz Albers, Lino Benassi, Susy Brüsweiler, Martin Candrian, Brigitta M. Gadiant, Felix Gutzwiller, Michael Hilti, Norbert Hochreutener, Andreas W. Keller, Klaus-Michael Kuehne, Andreas Schmid, Manfred Schneider and Marco Solari.

In addition to the above, Mr. Cotti received CHF 225,000 in return for other services provided to us, which included, among other things, representation of the Group at various forums and organizations, coverage at client events and chairman mandates at certain foundations. Mr. Gutzwiller received CHF 225,000 for his Board mandate at Clariden Leu and Mr. Benassi received EUR 70,000 for his Chairman mandate at Credit Suisse Italy.

# Additional information

## Changes of control and defense measures

### Duty to make an offer

Swiss law provides that anyone who, directly or indirectly or acting in concert with third parties, acquires 33 1/3% or more of the voting rights of a listed Swiss company, whether or not such rights are exercisable, must make an offer to acquire all of the listed equity securities of such company, unless the AoA of the company provides otherwise. Our AoA does not include a contrary provision. This mandatory offer obligation may be waived under certain circumstances by the Swiss Takeover Board or the SFBC. If no waiver is granted, the mandatory offer must be made pursuant to procedural rules set forth in the Stock Exchange Act and the implementing ordinances.

### Clauses on changes of control

Subject to certain provisions in the Group's employee compensation plans providing for the treatment of outstanding awards in the case of a change of control, there are no provisions that require the payment of extraordinary benefits in the case of a change of control in the agreements and plans benefiting members of the Board of Directors and the Executive Board or any other members of senior management. Specifically, there are no contractually agreed severance payments in the case of a change of control of the Group. Moreover, none of the employment contracts with members of the Executive Board or other members of senior management provides for extraordinary benefits that would be triggered by a change of control.

## Internal and external auditors

Auditing forms an integral part of corporate governance at Credit Suisse. Both internal and external auditors have a key role to play by providing an independent assessment of our operations and internal controls.

### Internal Audit

Our Internal Audit function comprises a team of around 250 professionals, more than 220 of whom are directly involved in

auditing activities. The Head of Internal Audit, Heinz Leiboldgut, reports directly to the Audit Committee.

Internal Audit performs an independent and objective assurance and consulting function that is designed to add value to our operations. Using a systematic and disciplined approach, the Internal Audit team evaluates and enhances the effectiveness of our risk management, control and governance processes.

Internal Audit is responsible for carrying out periodic audits in line with the Auditing Regulations approved by the Audit Committee. It regularly and independently assesses the risk exposure of our various business activities, taking into account industry trends, strategic and organizational decisions, best practice and regulatory matters. Based on the results of its assessment, Internal Audit develops detailed annual audit objectives, defining areas of audit concentration and specifying resource requirements for approval by the Audit Committee.

As part of its efforts to achieve best practice, Internal Audit regularly benchmarks its methods and tools against those of its peers. In addition, it submits periodic internal reports and summaries thereof to the management teams as well as the Chairman of the Board and the Chairman of the Audit Committee. The head of Internal Audit reports to the Audit Committee at least quarterly and more frequently as appropriate. Internal Audit coordinates its operations with the activities of the external auditor for maximum effect.

### External auditors

Our statutory and group auditor is KPMG Klynveld Peat Marwick Goerdeler SA, Zurich, or KPMG. The mandate was first given to KPMG for the business year 1989/1990. The lead Group engagement partners are David L. Jahnke, Global Lead Partner (since 2005), Robert S. Overstreet, Group Engagement Partner (since 2006), and Philipp Rickert, Leading Bank Auditor (since 2006). In addition, we have mandated BDO Visura, Zurich, as special auditor for the purposes of issuing the legally required report for capital increases in accordance with Article 652f of the Swiss Code of Obligations.

The Audit Committee monitors and pre-approves the fees to be paid to KPMG for its services.

	2007	2006 <sup>1</sup>	% change 07 / 06
<b>Fees for audit services (in CHF m)</b>			
Audit services <sup>2</sup>	46.7	69.8	(33)
Audit-related services <sup>3</sup>	18.5	15.2	22
Tax services <sup>4</sup>	2.1	4.0	(48)

<sup>1</sup> Includes fees relating to Winterthur. <sup>2</sup> The decrease in fees for audit services predominantly relates to the sale of Winterthur, efficiencies in conducting SOX 404 work including the impact of PCAOB Auditing Standard No. 5, the merger of Clariden Leu and reduced Basel II Swiss regulatory work. <sup>3</sup> Audit-related services are primarily in respect of: (i) reports related to the Group's compliance with provisions or calculations required by agreements; (ii) internal control-related reports beyond that required for the consolidated audit; (iii) accounting advice; (iv) audits of private equity funds and employee benefit plans; and (v) regulatory advisory services. <sup>4</sup> Tax services are in respect of tax compliance and consultation services, including: (i) preparation and/or review of tax returns of the Group and its subsidiaries; (ii) assistance with tax audits and appeals; (iii) expatriate tax return preparation services; and (iv) confirmations relating to the Qualified Intermediary status of Group entities.

KPMG attends all meetings of the Audit Committee. At each meeting, KPMG reports on the findings of its audit and/or interim review work. The Audit Committee reviews on an annual basis KPMG's audit plan and evaluates the performance of KPMG and its senior representatives in fulfilling its responsibilities. Moreover, the Audit Committee recommends to the Board the appointment or replacement of the external auditor, subject to shareholder approval as required by Swiss law.

KPMG provides a report as to its independence to the Audit Committee at least once a year. In addition, our policy on the engagement of public accounting firms, which has been approved by the Audit Committee, strives to further ensure an appropriate degree of independence of our external auditor. The policy limits the scope of services that may be provided to us or any of our subsidiaries by KPMG to audit and certain permissible types of non-audit services, including audit-related and tax services that have been pre-approved by the Audit Committee. The Audit Committee pre-approves all other services on a case-by-case basis. All KPMG services in 2007

were pre-approved. KPMG is required to report to the Audit Committee periodically regarding the extent of services provided by KPMG and the fees for the services performed to date.

## Liquidation

Under Swiss law and our AoA, we may be dissolved at any time by a shareholders' resolution which must be passed by: (i) a supermajority of at least three quarters of the votes cast at the meeting in the event we are to be dissolved by way of liquidation; or (ii) a supermajority of at least two-thirds of the votes represented and an absolute majority of the par value of the shares represented at the meeting in other events. Dissolution by court order is possible if we become bankrupt. Under Swiss law, any surplus arising out of liquidation (after the settlement of all claims of all creditors) is distributed to shareholders in proportion to the paid-up par value of shares held.