# MINUTES

**Annual General Meeting 2010**

**CREDIT SUISSE GROUP AG**

Friday April 30, 2010, 10:30 a.m., Hallenstadion, Zurich-Oerlikon

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**Hans-Ulrich Doerig**, Chairman of the Board of Directors ("BoD") of Credit Suisse Group AG ("CSG"), acted as **chair** pursuant to Art. 11 of the articles of association ("AoA"). He ascertained that the Annual General Meeting ("AGM") had been convened in due time and form by publication in the Swiss Official Gazette of Commerce No. 64 dated April 1, 2010.

The shareholders had previously been given the opportunity to view the annual report, the parent company's 2009 financial statements, the Group's 2009 consolidated financial statements, and the audit reports at the Bank's headquarters pursuant to Art. 696 para. 1 of the Swiss Code of Obligations (SCO).

The BoD elected Pierre Schreiber as **secretary**. The following persons were also present: **independent proxy** Andreas Keller, attorney, elected by the BoD pursuant to Art. 689c SCO; Manfred Stöpper, **representative of CSG**; and David Jahnke, Philipp Rickert, and Marc Ufer as **representatives of the Independent Auditors** KPMG AG, Zurich.

Based on Art. 11 of the AoA, the following were elected in an open ballot as **ballot counters**: Arnold Huber (arbitrator), Valentin Bühler, Dieter C. Hauser, and Anne Elisabeth Schlumberger.

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

## 1 Annual Report, Parent Company's 2009 Financial Statements, and Group's 2009 Consolidated Financial Statements

### 1.1 Presentation of the Annual Report, Parent Company's 2009 Financial Statements, Group's 2009 Consolidated Financial Statements, and 2009 Remuneration Report

In his speech ***(annex 1)***, the **Chairman** made it clear that Credit Suisse would overcome the challenges it was currently facing by drawing on its superior business model and the excellence of its products and services, and by cultivating its reputation. **Brady W. Dougan**, CEO, then commented in his address ***(annex 2)*** on CSG's financial result for 2009 and its performance in the first quarter of 2010. He also considered Credit Suisse to be extremely well positioned today. He was therefore confident that the bank was ready to tackle the challenges of the coming years. **Aziz D. Syriani**, Chairman of the Compensation Committee of the BoD, proceeded to comment on the 2009 remuneration report ***(annex 3)***.

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

2,394 shareholders holding 627,463,291 registered shares with a total par value of CHF 25,098,531.64 were represented either directly or indirectly at the AGM as of 11:01 a.m. ***(annex 4)***.

A summary of all results of the votes taken at this AGM can be found in ***annex 5***.

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

**1. Speaker 1**

The **speaker**, representing Ethos Swiss Investment Foundation for Sustainable Development, voiced his criticism of the remuneration report, saying that it lacked transparency. Moreover, he said, the variable salary components were too high; in addition, the report lacked details pertaining to the variable remuneration to be expected in the event of average business results and information relating to the highest variable remuneration. He suggested that the dependence of variable remuneration on the return on equity also provided an inducement to incur excessive risk and to reduce shareholders' equity, to the detriment of the company. The overleveraging on the SISU instruments would then once again cause excessive remunerations. Apparently, the speaker remarked, the management of Credit Suisse had failed to learn a thing from the crisis. He believed that the remunerations did not correspond to the European standard and furthermore represented a threat to Switzerland's system of social justice. He advised the AGM to reject both the 2009 remuneration report and the re-election of A.D. Syriani, Chairman of the Compensation Committee.

The **Chairman** assured the AGM that Credit Suisse pursued a conservative capital regime. He also provided an overview of regulatory developments worldwide that were forcing financial institutions to add to their shareholders' equity.

**2. Speaker 2**

The **speaker**, who represents an association of Lehman victims, accused Credit Suisse management of shirking its responsibility toward those who suffered the worst losses from the Lehman bankruptcy. A mere CHF 150 million had been paid to Credit Suisse clients who lost money as a result of the Lehman affair. Overall, however, losses actually came to around CHF 600 million. He called on the Executive Board to use 10% of the more than CHF 3 billion allocated to management from the Performance Incentive Plan I (PIP I) to fully compensate the Lehman victims.

The **Chairman** conceded that from a current standpoint, the definition of the PIP I was not ideal. However, he added that this had nothing to do with the Lehman bankruptcy. He reminded the AGM that Credit Suisse took the problems that their clients suffered as a result of the Lehman bankruptcy very seriously, and that the bank had come to a generous agreement with the clients affected – even by comparison with other banks. He added that the Swiss financial market supervisory body had closed its investigation into Credit Suisse because it failed to identify any systematic misconduct by Credit Suisse in selling Lehman products.

**3. Speaker 3**

The **speaker** censured Credit Suisse's top management, saying that members had failed to learn any lessons from the disasters of 2008. Rather, they continued to expose themselves to unreasonable risk, merely to fatten their own wallets. The supposed demerit system that Credit Suisse bragged about in its remuneration report, was ineffectual, if not simply nonexistent. He demanded that W.B. Kielholz, author of this debacle and former Chairman of CSG's Board of Directors, step down from all of his posts with Credit Suisse. He also insinuated that B.W. Dougan's primary goal was to earn as much as possible and forfeit as little as possible in taxes. He would do better, it was suggested, to spend his time improving his command of German.

The **Chairman** emphasized once again that Credit Suisse had emerged intact from the financial crisis on its own, without any government assistance. Moreover, he noted that 50% of top managers' compensation went to taxes and social welfare contributions.

**4. Speaker 4**

The **speaker** voiced his opinion that the remuneration report was much too complicated and, for the most part, incomprehensible. He cited several figures to illustrate his deep sense of outrage at the compensation policy of Credit Suisse.

### 5. Speaker 5

The **speaker** blasted the conduct of Credit Suisse's managers in the matter of compensation policy. This behavior, which he said contrasted sharply with the amount of the dividend and with the performance of the CSG share, made Switzerland look less attractive as a financial center and posed a threat to social justice in Switzerland. He stressed the necessity of rethinking the policy and returning to moderation. The management of Credit Suisse should also become more aware of its social responsibility toward the shareholders, and seek further opportunities to enter into dialogue with key shareholder groups.

The **Chairman** confirmed that contact with the shareholders was very important to him, and that he set aside a good deal of time to discuss their concerns.

### 6. Speaker 6

The **speaker** demanded that there be "no bonuses without dividends!". He asked how the bonuses for management were related to the dividends.

The **Chairman** explained that the dividend yield, i.e. the ratio between the dividend proposed today to the AGM and the par value of the share, was one of the best in the global banking industry. **A.D. Syriani** then added that there was no direct correlation between the amount of the dividend and the bonuses.

### 7. Speaker 7

The **speaker** perceived Credit Suisse's lack of a branch location in an important municipality like Schwamendingen as signaling a certain client-unfriendly attitude. Moreover, he believed the management's salaries to be excessive, and accused the management of Credit Suisse of behaving irresponsibly toward its employees, who do not enjoy similar compensation.

The **Chairman** clarified that Credit Suisse was in fact very aware of its responsibility toward all of its employees. This was also demonstrated by the fact that Credit Suisse was still considered to be a very attractive employer, both in Switzerland and abroad.

### 8. Speaker 8

With deep cynicism, the **speaker** complained of the regrettable behavior of top management on the matter of compensation policy.

### 9. Speaker 9

The **speaker** begged not to hear any more rationales for what she considered to be a completely wrongheaded compensation policy. She believed that Credit Suisse would recruit even better employees if it made a public commitment to aligning itself with ethical standards. She also expressed anger at the fact that despite all of the criticism leveled at Credit Suisse regarding the promotion of women, the bank still had no women in the top level of management.

The **Chairman** explained that Credit Suisse had made great strides in the matters of diversity and equal opportunity. However, it had not arrived at its goal. The reproach about the lack of women at the top management levels was unjustified, he maintained: Ms. Noreen Doyle had been a member of the Board of Directors since 2004, and in January of this year, Ms. Pamela Thomas-Graham was elected to the Executive Board.

### 10. Speaker 10

The **speaker** faulted the inappropriate compensation policy as immoral and lacking in integrity. Although Credit Suisse still owed the Lehman victims roughly CHF 0.5 billion, the bank was proposing paying CHF 6 billion in performance bonuses to its employees. Anyone who exhibited such behavior could not be trusted. It would do much more to improve the image of Credit Suisse if the bank were to adopt a more accommodating attitude toward the Lehman cases. He advised the AGM to reject the proposals of the BoD on agenda items 1.2, 2, and 5.1 in their entirety.

## 11. Speaker 11

The **speaker**, representing Actares, (Shareholders for Sustainable Business), criticized the compensation model of Credit Suisse as excessive and recommended that the AGM vote against the remuneration report and the re-election of A.D. Syriani to the BoD. He considered Credit Suisse's accomplishments in the area of sustainability to be negligible. He did not see achieving CO2 neutrality as a remarkable feat for a service company. The sustainability report, he said, contained little that was inspiring; it lacked specific information regarding the impact of Credit Suisse's involvement in the areas of oil production, oil sands mining, regular mining, etc. Advocating an end to climate change so explicitly called for much more proactive measures than those in which Credit Suisse was currently engaging. He asked, first, if measures had been taken to reduce management compensation to a responsible level, and, second, whether Credit Suisse had provided any specific figures in the 2010 Sustainability Report on the impact of its commitment to industries with a particularly critical effect on the environment.

The **Chairman** explained that the BoD reviewed and improved the compensation system on an ongoing basis. As for sustainability, the Chairman made reference to the bank's reputational risk management, one result of which was that all commitments of Credit Suisse in environmentally sensitive areas were being examined with a critical eye. Moreover, Credit Suisse supported projects for the production of renewable energies, and offered financial products that met certain sustainability criteria.

## 12. Speaker 12

The **speaker** expressed his indignation at the compensation policy of Credit Suisse, which he said had shaken Switzerland's political foundations. In his opinion, all salaries above CHF 3 million should be subject to a 95% tax rate, in order to put a stop to these excesses once and for all. Among other things, the speaker wanted to know whether Credit Suisse engaged proxy solicitors, how much they were paid in any given case, and further how many sessions of the BoD the Chairman had attended over the past year. Finally, he asked B.W. Dougan, whether he had come to a lump-sum tax agreement with the local authority at his place of residence.

The **Chairman** stated that Credit Suisse had not issued any mandates to proxy solicitors for this AGM. Moreover, the Chairman reminded the speakers that he was currently engaged at the full-time level in his function as Chairman of the BoD and that it went without saying that he had attended all BoD sessions in 2009.

## 13. Speaker 13

The **speaker** extended an olive branch to the BoD in response to the upsetting bonus excesses, saying that while mistakes were inevitable, it was never too late to correct them. He suggested ways in which the BoD could bring the disrupted relationship between the company and its shareholders back to normal. He asked the auditors whether it considered the compensation policy of Credit Suisse to be sustainable. In his opinion, it would be appropriate for the total bonuses not to exceed the dividends paid out.

The **Chairman** assured the AGM that the BoD in no way ignored the votes from the shareholders against Credit Suisse's compensation system. However, it was necessary both to reflect Swiss circumstances and to remain oriented toward global standards, according to which Credit Suisse was in good shape with a management share of 2.2% in total profits. The Chairman said it was not the job of the auditors to review the appropriateness of the compensation system. This was the responsibility of regulators, with whom Credit Suisse was in continuous dialogue.

## 14. Speaker 14

The **speaker** did not understand the argument that top managers had to be paid competitively in order to maintain their loyalty to the company. Rather, he believed that very good managers could be found even for much lower salaries. One positive consequence of moving away from the excessive compensation strategy and toward a strategy calling for moderation in salaries was that it would force other financial institutions as well to rethink their compensation policies.

## 15. Speaker 15

The **speaker** believed that Credit Suisse had grown beyond its optimum size and was creating exposures that could not be covered by a small economy like Switzerland. He suggested, therefore, that Credit Suisse change its legal form to that of a corporation with unlimited partners, and require all employees with annual salaries of CHF 2 million and above to be elected as partners with unlimited, joint and several liability.

## 16. Speaker 16

The **speaker** inquired as to whether action had been taken to guarantee diversity and equal opportunity between men and women.

The **Chairman** referred to his response to **speaker 9**.

## 17. Speaker 17

The **speaker**, a former employee of Credit Suisse, accused Credit Suisse of discriminating against his father, a Lehman victim. As a result of his personal involvement on his father's behalf, he said, Credit Suisse had fired him.

The **Chairman** stated that the speaker's father had been treated in the same manner as all other Lehman victims. For privacy protection reasons, he declined to address the reasons for termination.

## 18. Speaker 18

The **speaker** expressed his opinion that the BoD was doing its employees a disservice. As a result of Credit Suisse's shameless compensation practices, many clients felt called upon – despite the high-quality advisory services they were receiving from relationship managers – to end their relationship with Credit Suisse for moral reasons.

## 19. Speaker 19

The **speaker** congratulated the management of Credit Suisse on the excellent annual result, and expressed his satisfaction at the dividend proposed. On the other hand, he went on to voice a negative opinion of the CSG share price performance. With regard to the compensation system, he thought it was much too complicated. Moreover, he repeated his call from 2009 for annual management salaries to be limited to no more than CHF 1 million.

## 20. Speaker 20

The **speaker**, a clergywoman and theologian, also expressed her disappointment with the Credit Suisse compensation policy. The BoD and the management, she said, were playing God. Even "normal" employees no longer accepted the salaries paid to top managers. The path that the management of Credit Suisse had chosen was a mistake. She called on the BoD and the management to abandon this path and instead choose a more reasonable one.

## 21. Speaker 21

The **speaker** termed the justification for the excessive salaries "ridiculous". It revealed a distorted value system on the part of Credit Suisse's managers. He called the Chairman's references to Helvetian modesty and patriotic responsibility "sanctimonious". Finally, he intimated to the AGM that banks had set up a points system for members of parliament, according to which they measured partisan support. In this context, he asked how much Credit Suisse had paid to political parties last year.

The **Chairman** stated that Credit Suisse also fulfilled its duty as a corporate citizen by encouraging employees to assume political responsibilities. Legal parameters had always been observed with regard to the support of political parties. No donations had been made to political parties last year.

**22. Speaker 22**

The **speaker** objected that no annual reports were available at the AGM. He reproached the management of Credit Suisse for its blindness in aggravating the political situation in Switzerland with its excessive compensation policy. He expressed the opinion that the globalization of the bank lay at the heart of all of its ills. Foreigners in the management, particularly B.W. Dougan, had no idea what was going on in Switzerland. He urged the BoD to stop and reconsider its strategic options. Finally, he recommended that the minutes of today's AGM be submitted to all shareholders in both German and English.

The **Chairman** told the speaker that the minutes were available on the Credit Suisse website in both German and English. He also spoke in favor of B.W. Dougan, saying that he had played a significant role in helping Credit Suisse emerge from the crisis intact by quickly adapting the business model to the changed market conditions, thereby systematically reducing its exposure. Despite the bank's restricted risk profile, it had managed to produce excellent business results. In closing, he once again explained to the AGM the mechanisms of the PIP I, which went to the best managers during a critical period for Credit Suisse in order to retain their loyalty over the long term. The program worked: Most of the recipients of PIP I instruments had remained loyal to Credit Suisse and ultimately had contributed to the success of the bank.

**23. Speaker 23**

The **speaker** described the content of a video about Credit Suisse's compensation policy. He maintained that the managers of Credit Suisse would not allow the video to be aired during the AGM. Still, it was possible to view the video, titled, "Banker Needs Doggy Bag", on YouTube.

**24. Speaker 24**

The **speaker** berated the representatives on the podium and called upon those present to support Minder's "Abzocker" ("rip-off artist") initiative and other political initiatives with a similar thrust.

## 1.2 Consultative Vote on the Remuneration Report 2009

The AGM approved the remuneration report 2009 with the following proportions of votes:

| | | |
|---|---|---|
| • In favor: | 415,302,092 | (66.23%) |
| • Against: | 182,890,177 | (29.16%) |
| • Abstained: | 28,920,749 | (4.61%) |

The Chairman ascertained that a considerable minority did not approve the 2009 remuneration report. The Board of Directors will analyze the results and take appropriate action. A responsible compensation policy with broad support was also important to the BoD and the Executive Board, he said. Future compensation programs would see improvements.

## 1.3 Approval of the Annual Report, Parent Company’s 2009 Financial Statements, and Group’s 2009 Consolidated Financial Statements

The AGM approved the annual report, the parent company’s 2009 financial statements and the Group’s 2009 consolidated financial statements with the following proportions of votes:

| | | |
|---|---|---|
| • In favor: | 620,742,092 | (98.94%) |
| • Against: | 4,485,653 | (0.72%) |
| • Abstained: | 2,116,871 | (0.34%) |

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

The BoD requested discharge for the managing bodies for 2009.

A **speech** was then made by:

**25. <u>Speaker 1</u>**

The **speaker** asked that the BoD involve all shareholders in a written consultation on their opinion of the Credit Suisse compensation system. Nestlé SA had had success with this approach following its AGM in 2005.

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

The AGM collectively granted discharge to the managing bodies for the 2009 fiscal year with the following proportions of votes:

| | | |
|---|---|---|
| • In favor: | 611,425,477 | (97.74%) |
| • Against: | 11,449,947 | (1.83%) |
| • Abstained: | 2,667,065 | (0.43%) |

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

## 3 Resolution on the Appropriation of Retained Earnings

The BoD proposed using the available retained earnings of CHF 3,041 million, consisting of CHF 2,498 million in profit carried forward and a net loss for 2009 of CHF 543 million, as follows:

- To distribute a gross dividend of CHF 2.00 (CHF 1.30 net) per registered share;
- To carry the remainder (available earnings less dividends) forward.

The **Chairman** explained the technical details concerning payment of the dividend, and the BoD's distribution policy in general.

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

The AGM approved the BoD's proposal concerning the appropriation of retained earnings with the following proportions of votes:

| | | |
|---|---|---|
| • In favor: | 623,367,601 | (99.39%) |
| • Against: | 2,241,449 | (0.36%) |
| • Abstained: | 1,561,383 | (0.25%) |

## 4 Amendments to the Articles of Association in Compliance with the Federal Act on Intermediated Securities

The BoD proposed that the articles of association be adapted in compliance with the Federal Act on Intermediated Securities that took effect on January 1, 2010.

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

The AGM approved the BoD's proposal concerning the adaptation of the articles of association in compliance with the Federal Act on Intermediated Securities with the following proportions of votes:

| | | |
|---|---|---|
| • In favor: | 624,453,625 | (99.59%) |
| • Against: | 998,562 | (0.16%) |
| • Abstained: | 1,559,233 | (0.25%) |

# 5 Elections

## 5.1 Elections to the Board of Directors

The **Chairman** first informed the AGM that **Ernst Tanner**, member of the BoD since 2002, was resigning from his position voluntarily as of today's AGM. The Chairman thanked Ernst Tanner for his consistently constructive, hard work on the BoD.

The BoD proposed that the AGM re-elect **Noreen Doyle**, **Aziz D. Syriani**, **David W. Syz**, and **Peter F. Weibel**, and elect **Jassim Bin Hamad J.J. Al Thani** and **Robert H. Benmosche** for a term of office of three years in each case.

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

**26. Speaker 15**

The **speaker** expressed his doubt that the current composition of the BoD would be able to undertake urgently needed strategic changes and change the compensation system for the long term.

**27. Speaker 5**

In response to the **speaker**, the **Chairman** stated that Credit Suisse would implement any changes to the terms of office of BoD members required by law in a timely manner.

The AGM elected the proposed candidates to the BoD for a further term of office of three years with the following proportions of votes:

**Noreen Doyle:**

| | | |
|---|---|---|
| • In favor: | 603,359,670 | (96.23%) |
| • Against: | 20,519,607 | (3.27%) |
| • Abstained: | 3,104,097 | (0.50%) |

**Aziz D. Syriani:**

| | | |
|---|---|---|
| • In favor: | 427,424,217 | (68.17%) |
| • Against: | 171,136,836 | (27.29%) |
| • Abstained: | 28,438,897 | (4.54%) |

**David W. Syz:**

| | | |
|---|---|---|
| • In favor: | 621,386,286 | (99.11%) |
| • Against: | 3,079,045 | (0.49%) |
| • Abstained: | 2,486,668 | (0.40%) |

**Peter F. Weibel:**

| | | |
|---|---|---|
| • In favor: | 596,106,103 | (95.07%) |
| • Against: | 27,254,724 | (4.35%) |
| • Abstained: | 3,607,745 | (0.58%) |

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

| | | |
|---|---|---|
| • In favor: | 618,202,749 | (98.61%) |
| • Against: | 5,823,628 | (0.93%) |
| • Abstained: | 2,860,880 | (0.46%) |

**Robert H. Benmosche:**

| | | |
|---|---|---|
| • In favor: | 616,763,231 | (98.39%) |
| • Against: | 7,240,070 | (1.15%) |
| • Abstained: | 2,874,445 | (0.46%) |

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

### 5.2 Election of the Independent Auditors

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

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

| | | |
|---|---|---|
| • In favor: | 620,934,175 | (99.14%) |
| • Against: | 2,030,585 | (0.32%) |
| • Abstained: | 3,356,863 | (0.54%) |

KPMG AG confirmed its acceptance of the vote in writing.

### 5.3 Election of Special Auditors

The BoD requested the re-election of BDO AG, Zurich, as Special Auditors for a further term of office of one year, with a limited mandate to audit capital increases as per Art. 652f SCO.

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

| | | |
|---|---|---|
| • In favor: | 622,017,978 | (99.33%) |
| • Against: | 676,422 | (0.11%) |
| • Abstained: | 3,509,773 | (0.56%) |

BDO AG confirmed its acceptance of the vote in writing.

The Chairman concluded the meeting at 15:00. The **2011 Annual General Meeting** will take place on **Friday April 29, 2011, at 10:30**, once again at the **Hallenstadion** in Zurich-Oerlikon.

The Chairman                                        The Secretary

Hans-Ulrich Doerig                                  Pierre Schreiber