Goldman Sachs Announces Changes to 2009 Compensation Program

December 10, 2009

Management Committee to Receive No Cash Bonus for 2009
All Discretionary Compensation Awarded as Equity "Shares at Risk"

Equity "Shares at Risk" Subject to Sales Restrictions for Five Years

Strengthened Recapture and Clawback Provision

Shareholder Advisory Vote on Compensation Principles and Executive Compensation

New York, December 10, 2009 - The Goldman Sachs Group, Inc. (NYSE: GS) today announced that its Board of Directors has approved changes to compensation for 2009. They include the following:

• The firm's entire 30-person management committee, which comprises all global divisional and regional leadership, will receive 100 percent of their discretionary compensation in the form of Shares at Risk, which are subject to restrictions for five years. Discretionary compensation represents the vast majority of senior management's compensation and is directly tied to the firm's overall performance.

• Shares at Risk cannot be sold for five years, in addition to other restrictions.

• The five-year holding period on Shares at Risk includes an enhanced recapture provision that will permit the firm to recapture the shares in cases where the employee engaged in materially improper risk analysis or failed sufficiently to raise concerns about risks. Enhancing our recapture provision is intended to ensure that our employees are accountable for the future impact of their decisions, to reinforce the importance of risk controls to the firm and to make clear that our compensation practices do not reward taking excessive risk.

• The enhanced recapture rights build off an existing clawback mechanism which goes well beyond employee acts of fraud or malfeasance and includes any conduct that is detrimental to the firm, including conduct resulting in a material restatement of the financial statements or material financial harm to the firm or one of its business units.

• Shareholders will have an advisory vote on the firm's compensation principles and the compensation of its named executive officers at the firm's Annual Meeting of Shareholders in 2010.

"The measures that we are announcing today reflect the compensation principles that we articulated at our shareholders' meeting in May. We believe our compensation policies are the strongest in our industry and ensure that compensation accurately reflects the firm's performance and incentivizes behavior that is in the public's and our shareholders' best interests," said Lloyd C. Blankfein, Chairman and Chief Executive Officer of The Goldman Sachs Group, Inc. "In addition, by subjecting our compensation principles and executive compensation to a shareholder advisory vote, we are further strengthening our dialogue with shareholders on the important issue of compensation."

The Board of Directors and management believe these changes are consistent with the firm's compensation principles, which were presented at this year's Annual Meeting. Going forward, we continue to be focused on refining and improving our compensation practices. The principles underlying effective compensation practices include linking compensation to multi-year performance, aligning compensation with the long-term interests of the firm and its shareholders, and ensuring that compensation incentives are formulated so that they serve as a tool to attract, retain and motivate talent, without encouraging excessive risk-taking.

The Goldman Sachs Group, Inc. is a leading global financial services firm providing investment banking, securities and investment management services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals. Founded in 1869, the firm is headquartered in New York and maintains offices in

London, Frankfurt, Tokyo, Hong Kong and other major financial centers around the world.

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