

**Corporate Governance Guidelines  
of Credit Suisse Group**



**Approved by the Board of Directors on December 15, 2006**

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# Abbreviations and Definitions

AGM	Annual General Meeting
AoA	Articles of Association
BoD	Board of Directors
CC	Compensation Committee
CEO	Chief Executive Officer
CGC	Chairman's and Governance Committee of the BoD
Chairman	Chairman of the BoD
CSG	Credit Suisse Group
Group	Credit Suisse Group and its subsidiaries
Guidelines	Corporate Governance Guidelines of CSG
GxB	Group Executive Board
OGR	Regulations Governing the Conduct of Business of Credit Suisse Group

The titles and functions used in this document apply to both genders.

# Preamble

The BoD of CSG, upon recommendation of the CGC, has adopted these Guidelines to summarize certain principles promoting the appropriate functioning of the BoD and its committees and ensuring the effective and efficient governance of the Group.

## 1 Director Qualification

### 1.1 Board Composition

The BoD consists of a minimum of seven members. The BoD believes that the size of the BoD must be such that the standing committees can be staffed with qualified members, but, at the same time, the BoD must be small enough to enable an effective and rapid decision-making process.

The BoD shall have a majority of directors who meet the criteria for independence set forth in section 3.2 of the OGR. CSG's independence definition is based on the New York Stock Exchange Corporate Governance Standards and takes into account other governance standards as appropriate. The CGC shall review, at least annually, BoD member independence and present its assessment to the BoD for final determination.

Each year following the AGM the BoD appoints a Chairman and up to two Vice-Chairmen from among its members.

### 1.2 Selection of Directors

The CGC is responsible for selecting BoD member nominees to be proposed to the AGM for election. The CGC establishes criteria for BoD membership, which reflect the requirements of applicable laws and regulations and take into consideration such factors as it deems appropriate. These factors may include independence, diversity, age, skills, management experience in businesses and other organizations of comparable size, the extent to which the candidate and his experience complements or supports the BoD or its committees.

The CGC evaluates proposals put forward by the Chairman, the CEO or any member of the BoD and submits the proposals to the BoD. When evaluating a candidate the CGC also considers whether the individual holds any other mandates that could lead to conflicts of interests and makes an assessment as to whether the nominee has the capacity to devote the necessary time to appropriately discharge the responsibilities as a member of the BoD of CSG. Upon recommendation of the CGC the BoD proposes the candidate for election or re-election to the shareholders.

The CGC shall also review any applications for BoD membership submitted from outside the Group in light of CSG's BoD member criteria. The CGC may dismiss candidates, who do not meet the criteria for BoD membership.

In evaluating candidates, the CGC does not discriminate against race, religion, color, gender, national origin, disability, citizenship, marital status or sexual orientation.

## 1.3 Conflicts of Interests

Members of the BoD must duly safeguard the interests of the Group. Directors must avoid any conflicts of interests and the appearance of such conflicts. They shall disclose any personal interests, or those of closely related person or company, that they might have in a particular matter and shall abstain from participating in any decisions involving those interests. Directors must also strictly adhere to the Group's regulations on trading in CSG shares.

## 1.4 Terms of Office and Retirement

Each member of the BoD is elected individually for a period of three years and is eligible for re-election. One year of office is understood to be the period of time from one AGM to the close of the next AGM. CSG does not impose a term limitation for its directors. However, the CGC considers the number of terms an individual has served on the CSG BoD when deciding whether the BoD member concerned should be proposed for re-election.

Directors shall retire at the AGM in the year in which they reach the age of 70.

# 2 Director Responsibilities

The BoD shall be responsible for the overall direction, supervision and control of the Group. It shall set guidelines for the Group's general policy and strategy and regularly review reports on the operations of the Group. By establishing the OGR the BoD delegates certain tasks to BoD committees and delegates the management of the Group and the preparation and implementation of its 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 CSG's AoA. The OGR and the AoA are available on the Group's website.

## 2.1 Board Meetings

The BoD shall hold at least six regular meetings per year, one of which shall be dedicated to assessing the strategic planning of the Group. Additional meetings may be scheduled if required to discuss or resolve on urgent matters. The Chairman calls the meetings with sufficient notice and prepares an agenda for each meeting. Appropriate preparatory documents shall be made available to the Directors in a timely fashion. At most meetings the BoD holds separate private sessions, without management present, to discuss particular issues. Minutes are kept of all meetings.

Directors are expected to attend all or substantially all BoD meetings and meetings of the committees of the BoD on which they serve. Directors are also expected to spend the time needed to discharge their responsibilities appropriately.

A majority of the members of the BoD must be present in person in order to pass resolutions. Participation via telephone or video-conference shall be permitted. Resolutions of the BoD require the approval of an absolute majority of the votes cast. Resolutions may also be passed by way of written consent provided the text of the resolution is sent to all members of the BoD and provided that a majority of the members cast a vote. Each member has the right to request within the period stipulated for the vote, that the matter be discussed in a meeting.

## 2.2 Board Committees

The BoD has established the following regular committees:

- the Chairman's and Governance Committee
- the Audit Committee
- the Compensation Committee
- the Risk Committee

The members of the committees are appointed by the BoD for a period of one year. Re-appointment is possible and desirable to foster the development of specific knowledge of the businesses, continuity and efficiency of the committees' work.

Each committee has its own charter, which is approved by the BoD. The charter sets forth the purpose, goals and responsibilities of the committee as well as qualifications for committee membership, meetings and reporting to the BoD. Each committee performs an annual self-assessment. The committee charters are available on the Group's website.

## 3 Director Access to Information

The members of the BoD have access to all information concerning the Group as necessary to fulfill their duties as a BoD member. Should a member of the BoD require information or wish to review documents outside a meeting, he shall address his request to the Chairman.

In general, the members of the GxB shall attend the meetings of the BoD to ensure effective interaction with the BoD. The Chairman may from time to time invite members of management to make presentations at BoD meetings in order to provide particular insights into aspects of the Group's businesses.

The BoD and the BoD committees are entitled, at the expense of the Group, to engage such independent legal, financial or other advisors as they deem appropriate, without consulting or obtaining the approval of any officer of the Group, with respect to any matters subject to their respective authority.

## 4 Compensation

### 4.1 Management Compensation

Upon recommendation by the CC the BoD approves the Group's compensation principles. The BoD also approves amendments to existing or the establishment of new management and employee compensation plans. The CC reviews and approves the compensation proposals for the members of the executive management and informs the BoD on the decisions taken.

CSG is committed to employing compensation principles that reward excellence, encourage personal contribution and professional growth, retain talent and align the employee's values with the Group's core ethical and performance values as stated in the Code of Conduct thus creating shareholder value.

### 4.2 Board Compensation

The CC proposes individual compensation for BoD members to the BoD for approval. When discussing the proposals, the BoD member concerned shall abstain from the decision. BoD compensation shall be competitive compared to peers and consistent with market practices. BoD compensation should be partly paid in CSG registered shares in order to align the directors' interests with those of shareholders.

## 5 Director Orientation and Continuing Education

New directors shall participate in an orientation program, which shall generally be conducted as promptly as practicable following the AGM at which the new director is elected. The program shall be tailored to the respective director and appropriately consider his professional background. The program shall – among other areas – address the following:

- the Group's legal and management structure, corporate governance, legal and regulatory framework and the Code of Conduct
- the Group's goals and strategic business plans
- the Group's financials and capital management
- the Group's risk management framework

The BoD holds periodic strategic workshops to discuss the Group's strategic direction. The Chairman, upon consultation with the CEO, shall regularly add items to the BoD meeting agendas that support the familiarization of the BoD members with current developments in the financial industry. The BoD further encourages all directors to participate in continuing education programs.



## **6 Management Evaluation and Succession Planning**

The CGC or the BoD perform an annual performance assessment of the CEO and the executive management team. The results of this assessment will also serve the CC as a basis to review and assess the compensation proposals for the executive management in the course of the annual bonus process.

The CGC periodically reviews with the Chairman and the CEO the management succession planning and makes recommendations to the BoD.

## **7 Principles Governing the Conduct of the Board of Directors**

The annex to these Guidelines contains certain ethical principles that shall govern the conduct of the BoD.

## **8 Revisions to the Guidelines**

Periodically, the CGC shall re-evaluate these Guidelines and recommend to the BoD such revisions as it deems necessary or appropriate for the BoD to discharge its responsibilities most effectively and to ensure the effective governance of the Group.

## Principles Governing the Conduct of the Board of Directors

### A Conflicts of Interest

The members of the BoD shall abstain from participating in any discussions and decisions that might affect their own personal interests or those of a closely related person or company.

### B Corporate Opportunities

Directors are prohibited from taking for themselves personally opportunities or potential opportunities that are discovered through the use of corporate property, information or position without the consent of the BoD. Directors owe a duty to the Group to advance its legitimate interests when the opportunity to do so arises.

### C Confidentiality

Directors must maintain the confidentiality of confidential information entrusted to them by the Group or its customers, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Group or its customers, if disclosed.

### D Fair Dealing

Each director should endeavor to deal fairly with the Group's customers, suppliers, competitors and employees. None should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

### E Protection and Proper Use of Company Assets

All directors should endeavor to protect the Group's assets and ensure their efficient use. Therefore, all company assets must be used for legitimate business purposes.

### F Compliance with Laws, Rules and Regulations

Obedying the law, both in letter and in spirit, is the foundation on which the Group's ethical standards are built. All directors must respect and obey all applicable laws, rules and regulations, including insider-trading laws and management transaction disclosure rules.

## G Waivers

Any waivers of the Principles Governing the Conduct of the Board of Directors may be made only by the BoD and all waivers granted to the directors will be disclosed to CSG's shareholders.

