

262 Altadena Cir
Bay Point, CA. 94565
July 31, 2015

John F. W. Rogers,
Secretary to the Board of Directors
Jamie Greenberg,
Vice President and Associate General Counsel
The Goldman Sachs Group, Inc.
200 West Street, New York
NY 10282
Via Email: Jamie.Greenberg@gs.com

Re: Shareholder Proposal on compensation Committee

Dear Mr. Rogers and Ms. Greenberg:

Thank you for your email letter dated July 30, 2015.

I do not agree to your saying "that the Submission contains more than one shareholder proposal" because I submitted only one proposal to reform the compensation committee. However, for the purpose to constructively include my proposal to the 2016 proxy statement, I simplified my proposal. Attached is the revised shareholder proposal.

After I sent my proposal on July 24, 2015 through certified mail and email, I noticed two typos:

- 1) The cover letter subject should be "Re: Shareholder Proposal on compensation Committee", not on Independent Chairman;
- 2) My ownership is "at least 20 shares", not "at least 30 shares". Attached is the revised shares ownership letter.

Should you have any questions, please contact me via email zhao.cpri@gmail.com.

Yours truly,



Jing Zhao

Enclosure: revised shareholder proposal
revised shares ownership letter

Cc: "O'Toole, Beverly L" Beverly.OToole@gs.com
"Hoghooghi, Ida" Ida.Hoghooghi@gs.com

Shareholder Proposal on Compensation Committee

Resolved: shareholders recommend that The Goldman Sachs Group, Inc. (the firm) reform the Compensation Committee to include outside experts from the general public, besides members of the Board of Directors. This is not intended to unnecessarily limit our Board's judgment in crafting the recommended reform (such as the qualification, number, function and term of outside experts) in accordance with applicable laws.

Supporting Statement

According to the firm's 2015 Annual Meeting of Shareholders Proxy Statement, in 2014 the Chairman and CEO's total compensation was \$22,162,912; the President and COO's total compensation was \$20,200,084; the CFO's total compensation was \$20,177,797; the Chairman of Goldman Sachs Asia Pacific's total compensation was \$24,225,462; the Co-CEO of Goldman Sachs International's total compensation was \$21,061,873 (page 57); and the Compensation Committee "again retained Semler Brossy as its independent compensation consultant in 2014" (page 46). However, one single consulting firm cannot represent the general public, such as unions, the academic society, independent think tanks and publicly elected officers, to advise a reasonable, fair, just and ethical compensation policy responsive to America's general economy, such as unemployment, working hour and wage inequality.

As Thomas Piketty stated, "there is absolutely no doubt that the increase of inequality in the United States contributed to the nation's financial instability." (Capital in the Twenty-First Century, trans. Arthur Goldhammer. Cambridge: The Belknap Press of Harvard University Press, 2014. p.297) "Let me return now to the cause of rising inequality in the United States. The increase was largely the result of an unprecedented increase in wage inequality and in particular the emergence of extremely high remunerations at the summit of the wage hierarchy, particularly among top managers of large firms."(p.298) And, "the financial professions are about twice as common in the very high income groups as in the economy overall." (p.303) "Because it is objectively difficult to measure individual contributions to a firm's output, top managers found it relatively easy to persuade boards and stockholders that they were worth the money, especially since the members of compensation committees were often chosen in a rather incestuous manner." (p.510)

This proposal should also be evaluated in the context of the firm's unconscionable compensation principles for executive officers.