

April 26, 2021

Dear Goldman Sachs' Board Members,

We, the undersigned, have a vested interest in Goldman Sachs as stakeholders, clients, and investors.

We understand that this week on April 29, 2021, Goldman investors will vote on a shareholder proposal asking that the Board oversee the preparation of a public report on the impact of the use of mandatory arbitration on its employees and workplace culture.

We were disappointed to see that the Board has opposed the requested study. Its resistance to seriously considering arbitration's implications for its workplace culture strongly conflicts with the statements the company has made about the importance of diversity, equity and inclusion to the firm and to the success of its investment holdings.

Goldman Sachs, where thousands of women have alleged gender bias, needs to rebuild trust with potential employees, existing employees, clients and investors. The use of arbitration, if left unconsidered, may undermine the success of Goldman's admirable initiatives, such as Goldman's pledge of \$10 billion to focus on economic opportunities for Black women and its \$500 million investment strategy based on the thesis that diverse leadership drives stronger returns.

Companies with effective human capital management programs should not need arbitration as a protection against lawsuits, and they especially should not need the class action protection that arbitration provides.

The false sense of protection that arbitration provides to employers may create an unquantified long-tail risk for investors. Arbitration hides the true day-to-day conditions at Goldman, undermining investors' ability to assess if its diversity and inclusion programs are really working. Investors' assessment of Goldman's risk profile is further hampered by the lack of confidence employees have in arbitration; research shows that claims simply aren't brought to arbitration. Should arbitration be removed by legislative changes, as the Biden Administration has said it would like to do, Goldman may see a rush on the courts, at a scale from which investors cannot estimate the potential damages.

The role that arbitration may play in undermining healthy corporate cultures have led to employee demands that companies no longer use the practice. Facebook, Microsoft, and Uber ceased requiring arbitration in sexual harassment disputes. Google stopped using the practice as a part of a \$310 million misconduct settlement, where the use of arbitration was identified as a key aspect of a "culture of concealment."

We see a clear case of agency risk: Goldman managers may be comforted by knowing that any misdeeds they may commit will remain cloaked. Goldman investors and clients, however, have no incentive to allow these actions to continue, should they be occurring.

We encourage the Goldman Board to take these concerns seriously and consider if holding employees in arbitration agreements is in the true best interest of the company.

Sincerely,

Gretchen Carlson, Current Shareholder, Co-Founder Lift Our Voices, former Fox News anchor

M. Blair Hull, Jr. Founder Hull Trading LLC (Sold to Goldman Sachs)

Kristin Hull, PhD Founder CEO Nia Impact Capital, former owner at Hull Trading

Barbara Meyer, Meyer Family Enterprises, Trustee, Current Goldman Client