[Goldman Sachs Group, Inc: Rule 14a-8 Proposal, November XX, 2021]
[This line and any line above it – *Not* for publication.]
ITEM 4*: Report on costs of multi-class equity offerings

RESOLVED*, shareholders request that the board commission and publish a study, at reasonable cost and excluding proprietary information, on the external costs created by the Company's underwriting multi-class equity offerings and the manner in which such costs affect the majority of its shareholders who rely on overall stock market return.*

Supporting Statement:

Our Company underwrites initial public offerings providing perpetual control to insiders with high-vote stock,[1] contributing to poor governance that harms investors as a class, including companies with three classes of stock having 20, 1, and 0 votes.[2] As the Company advised investors, its most critical stakeholder group, "[u]sing multi-class voting to insulate management from its own shareholders comes at a significant long-term cost."[3]

These structures give unchecked power to insiders, whose concentrated interests are misaligned with the interests of typical diversified shareholders. As a working paper co-authored by a Nobel Laureate notes, "initial entrepreneurs are not well-diversified and so they want to maximize the value of their own company, not the joint value of all companies."[4]

By lending reputation and expertise to marketing governance structures that risk both underperformance and misalignment of corporate control with shareholder interests, the Company jeopardizes the viability of the one share, one vote governance model that creates significant economic wealth for shareholders and society. As a 2020 study noted, "if many similarly-situated *[sic]* companies [accept a higher cost of capital for multi-class shares], then the prevalence of dual class shares might have negative consequences for the economy as a whole."[5]

To the extent our Company is increasing its own financial returns by facilitating multi-class share structures, its own increased profits are coming at a severe cost to the global economy. This is a bad trade for most of the Company's shareholders, who are diversified and thus rely on broad economic growth to achieve their financial objectives. A Company strategy that increases its own financial returns but threatens global GDP is counter to the best interests of most of its shareholders: the potential drag on GDP created by facilitating poor governance will directly reduce their long-term returns.[6]

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[1] See, e.g., https://www.sec.gov/Archives/edgar/data/0001874178/000119312521289903/d157488ds1.htm (Rivian Automotive); https://www.sec.gov/Archives/edgar/data/1559720/000119312520294801/d81668ds1.htm (Airbnb).
[2] https://papers.ssrn.com/sol3/papers.cfm?abstract_id=987488; https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2954630
[3] https://www.forbes.com/sites/simonconstable/2019/09/30/goldman-sachs-warning-one-share-one-vote-or-else-the-stocks-shares-will-suffer/?sh=6cb9916e71da
[4] https://ssrn.com/abstract=3680815 or http://dx.doi.org/10.2139/ssrn.3680815
[5] https://www.capmktsreg.org/wp-content/uploads/2020/04/The-Rise-of-Dual-Class-Shares-04.08.20-1.pdf
[6] https://www.unepfi.org/fileadmin/documents/universal_ownership_full.pdf

Despite this risk, the Company has not disclosed any analysis of the trade-offs between Company profit and global economic health from the perspective of its largely diversified shareholders, whose investment portfolios may be at grave risk from increasing concentrations of power through multi-class share structures.

The requested report will help shareholders determine whether current Company policies serve shareholders' best interests.

Please vote for: Report on costs of multi-class equity offerings – Proposal 4*
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[*Number to be assigned by the Company]