

# MINUTES

## **Extraordinary General Meeting CREDIT SUISSE GROUP AG**

Thursday, November 19, 2015, 10:30–12:00, BERNEXPO Hall 4, Mingerstrasse 6, 3014 Bern

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Mr. **Urs Rohner**, Chairman of the Board of Directors **["BoD"]** of Credit Suisse Group AG **["CS"]**, welcomed the shareholders present at the meeting and acted as **chair** pursuant to Art. 11 of the articles of association. He welcomed the following members to the stage: Messrs. Tidjane Thiam, Chief Executive Officer **["CEO"]**; Romeo Cerutti, General Counsel; David Mathers, Chief Financial Officer; Peter Brand, notary from the canton of Bern; and Pierre Schreiber, secretary to the BoD.

The **Chairman** then stated that the extraordinary General Meeting **["EGM"]** had been convened in due time and form by publication in the Swiss Official Gazette of Commerce (SHAB) No. 208 dated October 27, 2015.

The BoD elected Mr. Pierre Schreiber as **secretary** for this EGM.

Mr. Andreas Keller, attorney, acted as **independent proxy**. He was appointed to act as independent proxy by the shareholders at the AGM in 2015 until the conclusion of the AGM in 2016.

KPMG AG, the **independent auditors**, were represented by Mr. Anthony Anzevino, Mr. Simon Ryder and Mr. Ralph Dicht.

Based on Art. 11 para. 2 of the company's articles of association, the following were elected in an open ballot as **ballot counters**: Mr. Arnold Huber (head teller), Ms. Anne Elisabeth Schlumberger and Mr. Dieter Hauser.

The Chairman explained to the shareholders their powers under the law and the articles of association, and informed them of other administrative provisions and issues. He concluded thereafter that the EGM was correctly constituted and could thus validly pass resolutions concerning the two agenda items.

In their addresses, the **Chairman** and the **CEO** commented on the Group's new strategy. The cornerstones of the new strategy are scaling up the Private Banking and Wealth Management franchise in the attractive markets of Asia, Eastern Europe, the Middle East, Latin America and Africa, ensuring profitable growth in the domestic market with the Swiss Universal Bank, and right-sizing Investment Banking to focus on the needs of Wealth Management clients (*Appendices 1 and 2*).

In order to implement the new strategy and to meet the constantly evolving regulatory capital adequacy requirements, the BoD proposed carrying out two ordinary capital increases: an ordinary capital increase in the form of a **private placement** of **58 million** new registered shares to be issued to 37 qualified investors (cf. agenda item 1), as well as an ordinary capital increase by way of a **subscription rights offering** of up to **260,983,898** new registered shares to be issued to existing shareholders (cf. agenda item 2).

Speeches were then made by the following:

**1. Speaker 1**

The **speaker** expressed criticism that the proposed capital increases would dilute the share returns, but he acknowledged the necessity of the proposed measures in principle. In connection with the "too big to fail" issue, he inquired about progress made so far in this area and the measures taken.

The **Chairman** thanked the speaker for his important presentation and explained to the EGM how the "too big to fail" issue has been addressed by new legislation in Switzerland. Under the new rules, strict minimum capital requirements have been defined for systemically important banks, as a result of which they will be in a position to absorb even significant financial losses without outside help. As a result, the government no longer needs to risk having to intervene with an urgent aid program in the event of a crisis. In addition, he explained, a systemically important bank must also make arrangements from an organizational perspective, so that the survival of the systemically important parts of the bank is assured in the event of an economic shock. CS's intention in creating the new legal entity Credit Suisse (Switzerland) Ltd. was precisely to meet these organizational requirements.

**2. Speaker 2**

The **speaker** wanted an assurance from the Chairman that the new investors in the private placement were not persons associated with Islamic State.

The **Chairman** responded that there were no indications that investors in the private placement would focus on criteria other than investment-relevant ones.

**3. Speaker 3**

The **speaker** asked the following questions: by what percent would the share capital be diluted by the capital increases, and when would the dilution of capital be offset in proportion to earnings per share? What dividends could the shareholders expect in the future, and did the planned payout ratio of 40% of the capital raised mean a further reduction of the already meager dividend? In connection with the planned partial IPO of Credit Suisse (Switzerland) Ltd. to external investors, the speaker's final question was whether existing shareholders would be able to participate in the IPO.

The **Chairman** explained that the dilutive impact as a result of these capital increases amounted to 19% in total. According to the strategic plan, CS would thus meet the stated minimum capital requirements by 2018, and would be in a position to generate CHF 9 to 10 billion in free capital. Shareholders should also be able to benefit from a distribution in the form of a scrip dividend that should remain relatively stable over the time frame mentioned. Should the outlined scenarios occur, a payout ratio of approx. 40% of the capital raised would be likely. The BoD would notify the shareholders about the IPO structure and procedure in due course.

**4. Speaker 4**

The **speaker** commented that the invitation referred to Article 4 of the articles of association on two occasions, without the full wording of Article 4 being printed.

The **Chairman** pointed out that the articles of association were available online on the CS website.

**5. Speaker 5**

The **speaker** wanted to know whether a dividend similar to last year could be expected for the 2015 financial year; he then inquired about the precise procedure for the announced IPO of Credit Suisse (Switzerland) Ltd.

The **Chairman** explained that the BoD would decide on its dividend proposal to shareholders for 2015 only after publication of the 2015 financial statements. He also stated that the BoD would decide on the structure and procedure for the announced IPO in due course.

The secretary announced the **number of participants** as per Art. 689e of the Swiss Code of Obligations (SCO): there were 574 shareholders or their representatives physically present in the hall. A total of 1,148,003,186 registered shares of CS were represented directly or indirectly at this EGM (**Appendix 3**).

## 1 Ordinary Capital Increase with Suspension of Subscription Rights

The **Chairman** explained that the company had concluded agreements with 37 qualified investors to subscribe for and acquire 58 million registered shares with a subscription price of CHF 22.75 per share. The gross proceeds from this private placement would amount to CHF 1.32 billion. Moreover, the investors had committed to exercising all of the subscription rights associated with the new shares in the capital increase proposed under agenda item 2 and to not selling these new shares from the private placement during the rights trading period.

The BoD proposed that the EGM approve the proposal for the ordinary capital increase in accordance with the following provisions:

- The share capital will increase by CHF 2,320,000 from the current CHF 65,535,813.84 to CHF 67,855,813.84 through the issue of 58 million fully paid-up registered shares with a par value of CHF 0.04 per registered share at the issue price of CHF 0.04 per registered share.
- The subscription price is CHF 22.75 per share. The new shares to be issued are eligible for dividends as soon as the capital increase has been entered in the Commercial Register.
- The new shares to be issued have no preferential rights.
- The contributions for the new shares to be issued are to be made in cash.
- The new shares to be issued are subject to the transfer restrictions pursuant to Art. 4 of the articles of association.
- Existing shareholders' subscription rights will be suspended and assigned to the investors or shareholders who have signed the corresponding agreement to subscribe for and acquire the new shares to be issued.

The **Chairman** advised the meeting that the resolution was conditional upon the EGM approving the BoD's proposal under agenda item 2. In addition, the resolution required a qualified majority of two-thirds of the votes represented at the EGM owing to the suspension of existing shareholders' subscription rights pursuant to Art. 704 para. 6 SCO.

The EGM approved the BoD's proposal for the ordinary capital increase with suspension of subscription rights with the following proportions of votes:

• In favor:	1,089,814,817	(94.95%)
• Against:	50,339,074	(4.39%)
• Abstained:	7,605,092	(0.66%)

## 2 Ordinary Capital Increase with Subscription Rights Granted

The **Chairman** then explained that, in addition to the newly authorized capital increase, the BoD was proposing a second ordinary capital increase, but this time in the form of a rights offering to existing shareholders.

The company had concluded an agreement with a banking syndicate on October 20, 2015, whereby the syndicate committed to underwriting the shares to be issued in this capital increase and offering them to existing CS shareholders. The gross proceeds from this rights offering would amount to CHF 4.7 billion.

The BoD proposed that the EGM approve the proposal for the ordinary capital increase in accordance with the following provisions:

- The share capital will increase by up to CHF 10,439,355.92 through the issue of up to 260,983,898 fully paid-up registered shares with a par value of CHF 0.04 per registered share at the issue price of CHF 0.04 per registered share. The capital increase will be implemented by the BoD within the scope of the subscriptions received.
- The new shares to be issued are eligible for dividends as soon as the capital increase has been entered in the Commercial Register.
- The new shares to be issued have no preferential rights.
- The contributions for the new shares to be issued are to be made in cash.
- The new shares to be issued are subject to the transfer restrictions pursuant to Art. 4 of the articles of association.
- Existing shareholders' subscription rights will be directly or indirectly subject to legal restrictions of foreign jurisdictions. 13 subscription rights entitle the shareholder to acquire 2 new shares at a subscription price of CHF 18 per share. The subscription rights are tradable. The BoD determines the other conditions for the exercising of subscription rights. Subscription rights that are not exercised will be sold at market conditions or otherwise used in the interest of the company.
- Exercising of the contractually acquired subscription rights is subject to the transfer restrictions pursuant to Art. 4 of the articles of association.

The Chairman pointed out that the absolute majority of the votes represented at the EGM would be sufficient for this resolution to be approved.

The EGM approved the BoD's proposal for the ordinary capital increase with subscription rights granted to existing shareholders with the following proportions of votes:

• In favor:	1,101,771,376	(95.98%)
• Against:	5,197,445	(0.45%)
• Abstained:	40,967,689	(3.57%)

The **Chairman** advised the meeting that, as a result of this resolution being approved, the EGM had also approved the proposal under agenda item 1.

In response to the Chairman's question, the **notary** confirmed that the two resolutions of the EGM would be entered in the public record.

The **Chairman** concluded the meeting at 11:55. The **2016 Annual General Meeting** will take place on **Friday, April 29, 2016, at 10:30**, at the Hallenstadion in Zurich-Oerlikon.

The Chairman

The Secretary

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Urs Rohner

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Pierre Schreiber