Dear Chairs

Thank you for your letter dated 6 September and your interest in how Goldman Sachs considers the appointment of its auditors. I am pleased to respond in my capacity as Chairman of Goldman Sachs International ("GSI"). As you would expect, the process of choosing a new auditor for GSI is being led by the GSI Audit Committee, supported by GSI management, with the final decision resting with the GSI Board.

To answer your first question, in our view the principal criteria required to perform our audit are as follows:

- Independence — the ability and willingness to meet required independence criteria in a suitable timeline
- Expertise and capabilities — current audit and non-audit experience in the financial services sector, including expertise in auditing financial instruments, including their valuation
- Audit quality — a demonstrable commitment to audit quality and having monitoring processes in place to sustain and improve audit quality. The firm’s audit quality should be evidenced in a firm’s FRC Audit Quality Inspection reports
- Commitment — evidenced by an appetite to tender and, where applicable, having a business plan in place to develop a more substantial UK banking audit practice
- Cultural fit — this would involve consideration of the alignment of a firm’s values with those of Goldman Sachs (e.g. integrity, honesty, dedication, innovation, teamwork and diversity) and the professionalism of the lead partner and the team.
- Technology — skills and ability to introduce innovation to the audit process

In our particular case, we would also expect experience of working in conjunction with other audit firms, and specifically engaging with other audit firms when acting as a component auditor, recognizing that PwC are expected to continue as auditor of the consolidated Goldman Sachs Group.
Your second question is best addressed by the firms themselves but we would observe that it may be necessary for some firms to recruit additional staff in order to support an audit such as ours, as well as leveraging skills in their global network. We are at an early stage in the process and plan to make a decision during the course of next year. Given the timeline until our required audit rotation date of 31 December 2021, if further recruitment were needed we believe it should be possible for the firms to achieve this.

I hope this is of assistance in answering your queries.

Yours sincerely

José Manuel Durão Barroso