

Invitation to the Annual General Meeting of GAM Holding AG, Zurich

The Annual General Meeting will take place on

Thursday, 26 April 2018, at 10:00am

at the Park Hyatt Hotel
Beethoven-Strasse 21, 8002 Zurich, Switzerland

Admittance: 9:15am

Agenda

The Board of Directors submits the following agenda items and proposals for discussion and resolution by the Annual General Meeting:

1. Management report, parent company's and consolidated financial statements as well as compensation report for the year 2017, reports of the statutory auditors

1.1 Approval of management report, parent company's and consolidated financial statements for the year 2017, notice of the reports of the statutory auditors

The Board of Directors proposes that the management report, the parent company's as well as the consolidated financial statements for the year 2017, be approved.

1.2 Consultative vote on the compensation report 2017

The Board of Directors proposes that the compensation report 2017 be approved on a non-binding consultative basis.

2. Appropriation of available earnings and of capital contribution reserve

A) Proposal

The Board of Directors proposes to allocate the available earnings for appropriation of CHF 88.1 million to other voluntary reserve and to distribute an amount of CHF 0.65 per registered share entitled to distribution out of capital contribution reserve to the shareholders.

Appropriation of available earnings and of capital contribution reserve	CHF million
Balance brought forward	0
Net profit for the year 2017	88.1
Dissolution of capital contribution reserve	101.6*
Total available to the Annual General Meeting	189.7
Allocation to other voluntary reserve	88.1
Distribution to the shareholders (out of capital contribution reserve)	101.6*

* Registered shares held by GAM Holding AG at the time of distribution are not entitled to receive the distribution. Depending on the number of registered shares held by GAM Holding AG at the time of distribution, the amount for dissolution and distribution might be adjusted accordingly. As at 31 December 2017, GAM Holding AG held 3,361,073 registered shares within treasury.

B) Explanation

The Board of Directors proposes to make a distribution to shareholders out of the Company's capital contribution reserve (which amounted to CHF 995.0 million as at 31 December 2017), instead of making dividend payments out of available earnings. Such distribution can be made without deduction of Swiss federal withholding tax of 35% and will be exempt from income tax for shareholders with fiscal domicile in Switzerland who hold the shares as part of their private assets.

If the proposal of the Board of Directors is approved, the distribution to shareholders out of capital contribution reserve will amount to CHF 0.65 per registered share.

The last trading day on which the shares will carry an entitlement to receive this distribution is 27 April 2018. The shares will be traded without an entitlement to receive this distribution as of 30 April 2018. The distribution will be payable as of 3 May 2018 free of charge and in accordance with the relevant payment instructions.

3. Discharge of the members of the Board of Directors and the Group Management Board

The Board of Directors proposes that the members of the Board of Directors and the Group Management Board be discharged for the financial year 2017.

4. Extension of authorised capital

A) Proposal

The Board of Directors proposes the extension of the authorised capital with a nominal value of CHF 798,412 by amending article 3.4 to the Articles of Incorporation of the Company as follows (the proposed amendments are underlined):

Article 3.4

¹ The Board of Directors shall be authorised to increase the share capital at any time until ~~April 27, 2018~~ 26 April 2020, by a maximum amount of ~~CHF 816 073~~ 798 412 by issuing a maximum of ~~46 330 460~~ 15 968 240 fully paid registered shares with a par value of CHF -.05 each. Increases in partial amounts shall be permissible.

[Article 3.4 para. 2 and 3 remain unchanged.]

⁴ The Board of Directors is further authorised to restrict or withdraw the pre-emptive rights of the existing shareholders with respect to a maximum of ~~8 160 730~~ 7 984 120 registered shares and allocate such rights to third parties:

- a) if the issue price of the new shares is determined by reference to the market price; or
- b) for the acquisition of companies, part(s) of companies or participations, for the acquisition of products, intellectual property or licenses or for investment projects, or for the financing or refinancing of any of such transactions through a placement of shares; or
- c) for purposes of broadening the shareholder constituency of the Company in certain financial or investor markets, for purposes of the participation of strategic partners, or in connection with the listing of new shares on domestic or foreign stock exchanges.

B) Explanation

The authorised capital as approved by shareholders at the Annual General Meeting of 27 April 2016 shall be extended for another two years until 26 April 2020. The proposed extension of authorised capital will maintain the Group's strategic and financial flexibility.

Due to the capital reductions over the past two years, the Board of Directors proposes to reduce the amount of the authorised capital to an amount equal to 10% of GAM Holding AG's current share capital. Under certain circumstances as described in article 3.4 of the Articles of Incorporation, the Board of Directors may restrict or withdraw the pre-emptive rights of the existing shareholders, however, limited to authorised capital corresponding to up to 5% of GAM Holding AG's current share capital.

5. Amendments to the Articles of Incorporation

A) Proposal

The Board of Directors proposes that article 11.1 of the Articles of Incorporation be amended as follows (the proposed amendments are underlined):

Article 11.1

¹ The Shareholders' Meeting shall approve annually the proposals of the Board of Directors in relation to the ~~maximum~~ aggregate amount of:

- a) the maximum compensation of the Board of Directors for the period until the next Ordinary Shareholders' Meeting;
- b) the maximum fixed compensation of the executive management for the current financial year;
- c) the variable compensation of the executive management for the ~~current~~ preceding financial year.

[Article 11.1 para. 2 remains unchanged.]

B) Explanation

The Board of Directors has approved a new compensation framework for the Group. The new framework is based on feedback received from shareholders as part of a comprehensive review conducted by the Board of Directors' compensation committee. The Group's revised compensation policies are based on four overarching principles: pay for performance, alignment of incentives with long-term shareholders' interests, transparency and the importance of sound risk management. As a result, the Board of Directors proposes to approve the variable compensation for the Group Management Board on a retrospective basis going forward, i.e. for the preceding year instead of the current year.

6. Elections of members of the Board of Directors

The Board of Directors proposes the re-election of **Mr Hugh Scott-Barrett** as member and Chairman of the Board of Directors (in a single vote), and the re-election of **Mr Diego du Monceau, Ms Nancy Mistretta, Mr Ezra S. Field, Mr Benjamin Meuli** and **Mr David Jacob** as members of the Board of Directors, each for a term of office until the end of the next Annual General Meeting.

You will find information on the biographies of the members proposed for re-election to the Board of Directors in the annual report 2017, corporate governance section – Board of Directors (www.gam.com/annualreport2017).

The Board of Directors further proposes that **Ms Monica Maechler** be elected as new member of the Board of Directors for a term of office until the end of the next Annual General Meeting.

Ms Monica Maechler serves as member of the Boards of Directors of Zurich Insurance Group Ltd. and Zurich Insurance Company Ltd. (both since 2013) as well as of Cembra Money Bank Ltd. (since 2015). From 2012 she has served as member of the Supervisory Board of Deutsche Börse AG (until May 2018 when she steps down from the Supervisory Board). She also contributes to non-profit organisations as chair of the Advisory Board of the International Center of Insurance Regulation at the Goethe University in Frankfurt and as member of the Boards of the Europa Institut at the University of Zurich and of the Stiftung für schweizerische Rechtspflege. Additionally she teaches and publishes on topics related to financial markets regulations, private international law and business law. From 2009 to 2012 Ms Monica Maechler served as vice chair of the Board of Directors of the Swiss Financial Market Supervisory

Authority FINMA, after having been the director of the Federal Office of Private Insurance from 2007 to 2008. She chaired the technical committee and was a member of the executive committee of the International Association of Insurance Supervisors until 2012. After her JD at the law school of the University of Zurich in 1984, Ms Monica Maechler practised as an attorney-at-law in a business law firm in Zurich. In 1990 she joined the group legal department of Zurich Insurance Group, where she became the group general counsel and head of the board secretariat in 1999 and was promoted to member of the Group Management Board in 2001. Ms Monica Maechler also served as a member in several expert commissions on financial market regulation of the Swiss Confederation. She is a Swiss citizen.

The biography of **Ms Monica Maechler** may also be accessed on GAM Holding AG's website (www.gam.com/agm2018).

- 6.1 Re-election of Mr Hugh Scott-Barrett as member and Chairman of the Board of Directors (in a single vote)**
- 6.2 Re-election of Mr Diego du Monceau**
- 6.3 Re-election of Ms Nancy Mistretta**
- 6.4 Re-election of Mr Ezra S. Field**
- 6.5 Re-election of Mr Benjamin Meuli**
- 6.6 Re-election of Mr David Jacob**
- 6.7 New election of Ms Monica Maechler**

7. Elections to the Compensation Committee of the Board of Directors

The Board of Directors proposes the re-election of **Ms Nancy Mistretta**, **Mr David Jacob** and the new election of **Mr Ezra S. Field** as members of the Compensation Committee of the Board of Directors, each for a term of office until the end of the next Annual General Meeting

- 7.1 Re-election of Ms Nancy Mistretta**
- 7.2 Re-election of Mr David Jacob**
- 7.3 New election of Mr Ezra S. Field**

8. Compensation of the Board of Directors and the Group Management Board

8.1 Approval of the compensation of the Board of Directors

A) Proposal

The Board of Directors proposes the approval of a maximum aggregate amount of compensation of the Board of Directors for the period as from the 2018 Annual General Meeting until the 2019 Annual General Meeting of CHF 2,500,000.

B) Explanation

The compensation of the Board of Directors is fixed and does not include any variable elements. For details about the Board of Directors' compensation for the expiring and an outlook for the following term of office, reference is made to sections 6.1 and 9 of the compensation report 2017 which is included in the annual report 2017.

8.2 Approval of the fixed compensation of the Group Management Board for the 2018 financial year

A) Proposal

The Board of Directors proposes the approval of a maximum aggregate amount of fixed compensation of the Group Management Board for the 2018 financial year of CHF 8,000,000.

B) Explanation

For details about the Group Management Board's fixed compensation in 2017 and an outlook for 2018, reference is made to sections 4.1 and 9 of the compensation report 2017 which is included in the annual report 2017.

8.3 Approval of the variable compensation of the Group Management Board for the 2017 financial year

A) Proposal

The Board of Directors proposes the approval of the aggregate amount of variable compensation of the Group Management Board for the 2017 financial year of CHF 13,721,080.

B) Explanation

In accordance with the revised compensation framework, the proposed total variable compensation of the Group Management Board (excluding a one-time recruitment award) is CHF 9,318,898, which includes social security and pension costs of CHF 873,442. In addition, a one-time recruitment award with a fair value at grant of CHF 3,868,350 plus CHF 533,832 of employer's social security costs is included in the proposed aggregate amount of variable compensation of the Group Management Board of CHF 13,721,080.

For details about the Group Management Board's variable compensation in 2017 and the recruitment award, reference is made to section 4 of the compensation report 2017 which is included in the annual report 2017.

9. Election of the statutory auditors

The Board of Directors proposes that KPMG AG, Zurich, be re-elected as statutory auditors for a further one-year period.

10. Election of the Independent Representative

The Board of Directors proposes the re-election of Mr Tobias Rohner, attorney-at-law, Holbeinstrasse 30, 8034 Zurich, as Independent Representative for a term of office until the end of the next Annual General Meeting.

Organisational information

Right to participate and vote/admission cards

After returning the enclosed duly signed registration form by 16 April 2018 at the latest, shareholders will receive an admission card and voting materials. Shareholders recorded in the Company's share register with voting rights as at 16 April 2018 will be entitled to participate in, and vote at, the Annual General Meeting. No registrations and de-registrations of registered shares will be made in the share register from 17 to 26 April 2018.

Appointment of proxy

A shareholder entitled to vote may give a written proxy for the Annual General Meeting to a third party. Proxy holders will only be admitted to the Annual General Meeting upon presentation of a valid admission card and a duly executed proxy.

Mr Tobias Rohner, attorney-at-law, Holbeinstrasse 30, 8034 Zurich, Switzerland, is designated as Independent Representative. Shareholders who choose to authorise and give their instructions to the Independent Representative in writing, may do so by returning the duly signed registration form by 23 April 2018 (date of receipt) at the latest.

Electronic authorisation of, and instructions to, the Independent Representative

Shareholders who choose to authorise and give their instructions to the Independent Representative electronically, may do so by accessing the website <https://gamholding.shapp.ch> and then following the guidance that is being displayed on their computer screen. In addition to internet access, an email address and a mobile telephone that can receive a code by text message are required. The personal access data needed for registration can be found on the enclosed registration form. Instructions can be given electronically to the Independent Representative until 23 April 2018.

Simultaneous translations

The Annual General Meeting will be held in English. Simultaneous translation into German will be available. Headsets will be provided in the foyer.

Annual report

The annual report 2017, which consists of the management report, the parent company's as well as the consolidated financial statements and also includes the compensation report, was published on 1 March 2018. It can be accessed on GAM Holding AG's website (www.gam.com/annualreport2017) and is available for inspection at the Company's head office, Hardstrasse 201, 8005 Zurich, Switzerland. Shareholders registered in the Company's share register may order the annual report 2017 by requesting so on the registration form.

Transport to and from the venue

Shareholders are recommended to use public transport to reach the venue.

Reception

There will not be a drinks reception following the conclusion of the Annual General Meeting.

Invitation

In the event of differences between this English translation of the invitation and the original German version, which is available on GAM Holding AG's website (www.gam.com/agm2018), the German version shall prevail.

Zurich, 3 April 2018

GAM Holding AG

For the Board of Directors

The Chairman



Hugh Scott-Barrett