

# Notification regarding the Annual General Meeting of GAM Holding AG, Zurich

taking place on

**Wednesday, 27 April 2016, at 10:00am**

at the SIX Swiss Exchange ConventionPoint Conference Center  
Selnaustrasse 30, 8001 Zurich, Switzerland

Admittance: 9:15am

**Proposal of the Board of Directors to Agenda Item 5 (Creation of  
Authorised Capital)**

Dear Shareholder,

In its invitation to the Annual General Meeting of GAM Holding AG dated 4 April 2016, the Board of Directors proposed under agenda item 5 the creation of authorised capital with a nominal value of CHF 1,633,649, corresponding to 20% of GAM Holding AG's current share capital (before the proposed capital reduction by CHF 155,000 under agenda item 4).

After discussions with significant shareholders, the Board of Directors decided to reduce the nominal value of the proposed authorised capital to CHF 816,973, corresponding to 10% of GAM Holding AG's current share capital (before the proposed capital reduction by CHF 155,000 under agenda item 4).

Consequently, the proposal of the Board of Directors to agenda item 5 (creation of authorised capital) is as follows (the changes as compared to the original proposal are underscored):

## 5. Creation of authorised capital

### A) Proposal

The Board of Directors proposes the creation of authorised capital with a nominal value of CHF 816,973 by adding the following new article 3.5 to the Articles of Incorporation of the Company:

Article 3.5 (new)

<sup>1</sup> The Board of Directors shall be authorised to increase the share capital at any time until 27 April 2018, by a maximum amount of CHF 816 973 by issuing a maximum of 16 339 460 fully paid registered shares with a par value of CHF -.05 each. Increases in partial amounts shall be permissible.

<sup>2</sup> The subscription and acquisition of the new shares as well as any subsequent transfer of the shares shall be subject to the restrictions pursuant to articles 4.3 to 4.5 of the Articles of Incorporation.

<sup>3</sup> The Board of Directors shall determine the issue price, the type of contribution, the date of issue, the conditions for the exercise of the pre-emptive rights and the beginning date for dividend entitlement. In this regard, the Board of Directors may issue new shares by means of a firm underwriting through a financial institution, a syndicate of financial institutions or another third party and a subsequent offer of these shares to the existing shareholders or third parties (if the pre-emptive rights of the existing shareholders have been denied or not been duly exercised). The Board of Directors is entitled to permit, to restrict or to exclude the trade with pre-emptive rights. It may permit pre-emptive rights that have not been exercised to expire, or it may place such rights or shares as to which pre-emptive rights have been granted, but not exercised, at market conditions or may use them otherwise in the interest of the Company.

<sup>4</sup> 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 8 169 730 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 creation of authorised capital equal to 10% of GAM Holding AG's current share capital (before the proposed capital reduction under agenda item 4) is designed to enhance the Group's strategic and financial flexibility, primarily its ability to take advantage of future opportunities for acquisitions that meet the Group's strict financial criteria.

If a decision is taken by the Board of Directors to issue new shares out of authorised capital and use them as consideration for an acquisition, the pre-emptive rights of the existing shareholders will be excluded. This reduces uncertainty for the seller and thereby also the execution risk for GAM Holding AG which, given the strict criteria the Group applies to any potential acquisition, is considered to be in the overall financial interest of shareholders. The restriction or withdrawal of the pre-emptive rights is, however, limited to authorised capital corresponding to up to 5% of GAM Holding AG's current share capital (before the proposed capital reduction under agenda item 4).

The proposal by the Board of Directors is within the agenda item notified in the invitation to the Annual General Meeting of 4 April 2016. Voting instructions already given to the Independent Representative remain valid for the changed proposal of the Board of Directors. If you do *not* agree with this, you are requested to change your voting instructions to the Independent Representative. If you agree that your voting instructions already given cover the amended proposal by the Board of Directors, you do not have to do anything further.

In order to change your voting instructions to the Independent Representative, please contact Tobias Rohner, attorney-at-law, Bellerivestrasse 201, 8034 Zurich. You may also change your voting instructions electronically by accessing the website <https://gamholding.shapp.ch> and then following the guidance that is being displayed on your computer screen. The personal access data needed for registration was provided to you on the reply form that was sent to you together with the invitation to the Annual General Meeting of 4 April 2016. If you do no longer have your personal access data, please contact Nimbus AG, Aktienregister GAM Holding, P.O. Box, 8866 Ziegelbrücke, Switzerland, tel.: +41 55 617 37 54, email: [gam@nimbus.ch](mailto:gam@nimbus.ch).

Voting instructions to the Independent Representative that are being given after the date of this notification will refer to the proposal of the Board of Directors as amended in accordance with this notification.

Zurich, 14 April 2016

**GAM Holding AG**

For the Board of Directors

The Chairman



Johannes A. de Gier

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

The Annual General Meeting will take place on

**Wednesday, 27 April 2016, at 10:00am**

at the SIX Swiss Exchange ConventionPoint Conference Center  
Selnaustrasse 30, 8001 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 2015, reports of the statutory auditors

#### 1.1 Approval of management report, parent company's and consolidated financial statements for the year 2015, 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 2015, be approved.

#### 1.2 Consultative vote on the compensation report 2015

The Board of Directors proposes that the compensation report 2015 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 103.0 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
Profit for the year 2015	103.0
Dissolution of capital contribution reserve	102.8*
Total available to the Annual General Meeting	205.8
Allocation to other voluntary reserve	103.0
Distribution to the shareholders (out of capital contribution reserve)	102.8*

\* 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 2015, GAM Holding AG held 5,254,167 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 1,199.6 million as at 31 December 2015), 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 28 April 2016. The shares will be traded without an entitlement to receive this distribution as of 29 April 2016. The distribution will be payable as of 3 May 2016 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 2015.

### 4. Capital reduction by cancellation of shares

#### A) Proposal

The Board of Directors proposes the following:

- (a) to cancel 3,100,000 registered shares with a par value of CHF 0.05 each which were repurchased by the Company in the year 2015 under its current share buy-back programme and, as a result, to reduce the respective reserves created for these own shares and to reduce the share capital by CHF 155,000.00 from CHF 8,169,736.55 to CHF 8,014,736.55;
- (b) to state that the audit report of the licenced audit expert KPMG AG, Zurich, issued according to article 732 paragraph 2 of the Swiss Code of Obligations, confirms that the claims of the creditors of the Company are fully covered despite the reduction in share capital; and
- (c) to amend articles 3.1 and 3.2 of the Articles of Incorporation as follows:

Current version – Article 3 Share capital

3.1 The fully paid-up share capital amounts to CHF 8 169 736.55.

3.2 The share capital is divided into 163 394 731 registered shares with a par value of CHF –.05 each.

Proposed new version – Article 3 Share capital (changes in *italics*)

3.1 The fully paid-up share capital amounts to *CHF 8 014 736.55*.

3.2 The share capital is divided into *160 294 731* registered shares with a par value of CHF –.05 each.

The other provisions of the Articles of Incorporation shall remain unchanged.

#### B) Explanation

As at 31 December 2015, the Company held 3,100,000 registered shares which it had repurchased in the year 2015 for the purposes of cancellation under its current share buy-back programme. The average purchase price paid was CHF 17.91 per share. In order to reflect the proposed cancellation of these 3,100,000 shares, the share capital in article 3.1 of the Articles of Incorporation, as well as the number of registered shares in article 3.2 of the Articles of Incorporation, need to be reduced accordingly.

KPMG AG, Zurich, as licenced audit expert, have confirmed in an audit report prepared for the Annual General Meeting that the claims of the creditors of the Company will remain fully covered even with the proposed reduction in capital.

In accordance with article 733 of the Swiss Code of Obligations, the capital reduction by means of cancellation of repurchased shares may only take place after the expiration of the period during which creditors may request satisfaction or security by filing their claims. The notice to creditors will be published in the Swiss Official Gazette of Commerce three times immediately after the Annual General Meeting. Claims may then be registered during a two-month period starting as from the date of the third publication. Only upon expiration of this two-month period the capital reduction may be effected and entered in the Commercial Register.

## 5. Creation of authorised capital

### A) Proposal

The Board of Directors proposes the creation of authorised capital with a nominal value of CHF 1,633,946 by adding the following new article 3.5 to the Articles of Incorporation of the Company:

Article 3.5 (new)

<sup>1</sup> The Board of Directors shall be authorised to increase the share capital at any time until 27 April 2018, by a maximum amount of CHF 1 633 946 by issuing a maximum of 32 678 920 fully paid registered shares with a par value of CHF -.05 each. Increases in partial amounts shall be permissible.

<sup>2</sup> The subscription and acquisition of the new shares as well as any subsequent transfer of the shares shall be subject to the restrictions pursuant to articles 4.3 to 4.5 of the Articles of Incorporation.

<sup>3</sup> The Board of Directors shall determine the issue price, the type of contribution, the date of issue, the conditions for the exercise of the pre-emptive rights and the beginning date for dividend entitlement. In this regard, the Board of Directors may issue new shares by means of a firm underwriting through a financial institution, a syndicate of financial institutions or another third party and a subsequent offer of these shares to the existing shareholders or third parties (if the pre-emptive rights of the existing shareholders have been denied or not been duly exercised). The Board of Directors is entitled to permit, to restrict or to exclude the trade with pre-emptive rights. It may permit pre-emptive rights that have not been exercised to expire, or it may place such rights or shares as to which pre-emptive rights have been granted, but not exercised, at market conditions or may use them otherwise in the interest of the Company.

<sup>4</sup> 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 16 339 460 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 creation of authorised capital equal to 20% of GAM Holding AG's current share capital (before the proposed capital reduction under agenda item 4) is designed to enhance the Group's strategic and financial flexibility, primarily its ability to take advantage of future opportunities for acquisitions that meet the Group's strict financial criteria.

If a decision is taken by the Board of Directors to issue new shares out of authorised capital and use them as consideration for an acquisition, the pre-emptive rights of the existing shareholders will be excluded. This reduces uncertainty for the seller and thereby also the execution risk for GAM Holding AG which, given the strict criteria the Group applies to any potential acquisition, is considered to be in the overall financial interest of shareholders. The restriction or withdrawal of the pre-emptive rights is, however, limited to authorised capital corresponding to up to 10% of GAM Holding AG's current share capital (before the proposed capital reduction under agenda item 4).

## 6. Elections of members of the Board of Directors

The Board of Directors proposes the re-election of **Mr Johannes A. de Gier** as the Chairman of the Board of Directors, and of **Mr Diego du Monceau** and **Mr Hugh Scott-Barrett** 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 members proposed for re-election to the Board of Directors in the annual report 2015, corporate governance section – Board of Directors ([www.gam.com/annualreport2015](http://www.gam.com/annualreport2015)).

The Board of Directors further proposes that **Ms Nancy Mistretta**, **Mr Ezra S. Field** and **Mr Benjamin Meuli** be elected as new members of the Board of Directors, each for a term of office until the end of the next Annual General Meeting.

Ms Nancy Mistretta is a former partner of Russell Reynolds Associates, an executive search firm, where she worked from 2005 until 2009. Prior to joining Russell Reynolds, she was with JPMorgan Chase and its heritage institutions for 29 years and served as a Managing Director in Investment Banking from 1991 to 2005. Ms Nancy Mistretta is a director of Scotts Miracle-Gro, where she currently chairs the Audit Committee and is a member of the Finance Committee. She is also a director of the North American Holding Company of HSBC, where she serves on both the Nomination and Governance Committee and the Audit Committee. Ms Nancy Mistretta is a graduate of Smith College with a BA in Psychology. She is a US citizen.

Mr Ezra S. Field is a Managing Director of Roark Capital Group, an Atlanta-based private equity firm. Prior to joining Roark, he was a Managing Director at New York-based ACI Capital, where he played a lead role in all aspects of the firm's investing activities. Mr Ezra Field was previously also an Adjunct Professor at Pace Law School, where he taught Mergers & Acquisitions. Before joining ACI Capital in 2001, Mr Ezra Field was an entrepreneur and venture capitalist. From 1998 to 1999, he served as a law clerk to the Hon. Ralph K. Winter, then Chief Judge of the United States Court of Appeals for the Second Circuit. Mr Ezra Field received a BA (Honors) from Wesleyan University, an MBA from Columbia Business School and a JD from Columbia Law School. He is a US citizen.

Mr Benjamin Meuli is the Chief Investment Officer at XL Group, a position he has held since 2015. Between 2009 and 2015, he was the Chief Financial Officer and member of both the Group Executive Committee and the Board of Directors of Catlin Group Ltd. Mr Benjamin Meuli was the Chief Investment Officer and a member of the Executive Board at Swiss Re between 2004 and 2008. Prior to joining Swiss Re, he was a Managing Director at Morgan Stanley with responsibility for coverage of large multinational insurance groups. He started his career at



JPMorgan, where he spent 20 years in a variety of roles mostly in investment banking. Mr Benjamin Meuli received an MA in politics, philosophy and economics from the Worcester College, Oxford and an MSc in agricultural economics from Oxford University. He is a Swiss and UK citizen.

The biographies of Ms Nancy Mistretta, Mr Ezra S. Field and Mr Benjamin Meuli may also be accessed on GAM Holding AG's website ([www.gam.com/agm2016](http://www.gam.com/agm2016)).

- 6.1 Re-election of Mr Johannes A. de Gier as member and Chairman of the Board of Directors**
- 6.2 Re-election of Mr Diego du Monceau**
- 6.3 Re-election of Mr Hugh Scott-Barrett**
- 6.4 New election of Ms Nancy Mistretta**
- 6.5 New election of Mr Ezra S. Field**
- 6.6 New election of Mr Benjamin Meuli**

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

The Board of Directors proposes the re-election of **Mr Diego du Monceau** and the new election of **Ms Nancy Mistretta** and **Mr Benjamin Meuli** 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 Mr Diego du Monceau**
- 7.2 New election of Ms Nancy Mistretta**
- 7.3 New election of Mr Benjamin Meuli**

## **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 2016 Annual General Meeting until the 2017 Annual General Meeting of CHF 3,000,000.

#### **B) Explanation**

The compensation of the Board of Directors consists of a fixed compensation. 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 6.2 and 8.1 of the compensation report 2015 which is included in the annual report 2015.

### **8.2 Approval of the fixed compensation of the Group Management Board**

#### **A) Proposal**

The Board of Directors proposes the approval of a maximum aggregate amount of fixed compensation of the Group Management Board for the 2016 financial year of CHF 8,000,000.

**B) Explanation**

For details about the Group Management Board's fixed compensation in 2015 and an outlook for 2016, reference is made to sections 6.1 and 8.2 of the compensation report 2015 which is included in the annual report 2015.

**8.3 Approval of the variable compensation of the Group Management Board****A) Proposal**

The Board of Directors proposes the approval of a maximum aggregate amount of variable compensation of the Group Management Board for the 2016 financial year of CHF 15,000,000.

**B) Explanation**

For details about the Group Management Board's variable compensation in 2015 and an outlook for 2016, reference is made to sections 6.1 and 8.2 of the compensation report 2015 which is included in the annual report 2015.

**9. Appointment 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, Bellerivestrasse 201, 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 registration form, shareholders will receive an admission card and voting material. Shareholders recorded in the Company's share register with voting rights as at 15 April 2016 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 16 to 27 April 2016.

**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, Bellerivestrasse 201, 8034 Zurich, Switzerland, is designated as Independent Representative.

**Electronic authorisation of, and instructions to, the Independent Representative**

Shareholders who chose 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 e-mail address and a mobile telephone that can receive a code by text message are required. The

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personal access data needed for registration can be found on the enclosed registration form. Instructions can be given electronically to the Independent Representative until 24 April 2016.

**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 2015, 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 2016. It can be accessed on GAM Holding AG's website ([www.gam.com/annualreport2015](http://www.gam.com/annualreport2015)) 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 2015 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/agm2016](http://www.gam.com/agm2016)), the German version shall prevail.

Zurich, 4 April 2016

**GAM Holding AG**

For the Board of Directors

The Chairman



Johannes A. de Gier