

# Invitation to the Ordinary Annual General Meeting

of GAM Holding AG, Zurich

The Ordinary Annual General Meeting will take place on

**Wednesday, 18 April 2012, 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 Ordinary Annual General Meeting:

### 1. Approval of annual report, parent company's and consolidated financial statements for the year 2011, notice of report of the Statutory Auditors

The Board of Directors proposes that the annual report, the parent company's as well as the consolidated financial statements for the year 2011, be approved.

### 2. Appropriation of retained earnings and of capital contribution reserve

#### A) Proposal

The Board of Directors proposes to allocate the retained earnings of CHF 234.6 million available for appropriation to Other Reserve and to allocate an amount of CHF 0.50 per registered share entitled to distribution out of Capital Contribution Reserve to Other Reserve and to distribute such amount to the shareholders.

Appropriation of retained earnings and of capital contribution reserve	CHF million
Balance brought forward	146.4
Profit for the year 2011	88.2
Dissolution of Capital Contribution Reserve	88.5*
Total available to the Annual General Meeting	323.1
Allocation to Other Reserve	234.6
Distribution to the shareholders (out of Capital Contribution Reserve**)	88.5*

\* As at 31 December 2011, GAM Holding AG held 19,235,910 registered shares within treasury. Registered shares held by GAM Holding AG at the time of distribution are not entitled to receive the distribution. Therefore, the amount for dissolution and distribution might be adjusted accordingly.

\*\* This distribution is executed via the account Other Reserve.

#### B) Explanation

As a result of the Swiss tax reform effective as of the beginning of 2011, GAM Holding AG may make distributions to shareholders out of its reserve from previous capital contributions (which amounted to CHF 1,998.4 million as at 31 December 2011) without deducting the Swiss federal withholding tax of 35%, instead of making dividend payments out of retained earnings. Such distributions will be exempt from income tax for shareholders resident 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 0.50 per registered share.

The last trading day on which the shares will carry an entitlement to receive this distribution is 19 April 2012. The shares will be traded without an entitlement to receive this distribution as of 20 April 2012. The distribution will be payable as from 25 April 2012 free of charge and in accordance with the relevant payment instructions.

**3. Discharge of the Board of Directors and Executive Board members**

The Board of Directors proposes that the members of the Board of Directors and the Executive Board be discharged for the 2011 financial year.

**4. Capital reduction by cancellation of shares and related amendment to the Articles of Incorporation****A) Proposal**

The Board of Directors proposes the following:

- (a) to cancel 12,945,000 registered shares with a par value of CHF 0.05 each which were repurchased by the Company under the share buy-back programme 2011–2014 and, as a result, to reduce the respective reserve created for these own shares and to reduce the share capital by CHF 647,250.00 from CHF 9,815,000.00 to CHF 9,167,750.00;
- (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 creditors of the Company are fully covered despite the reduction in share capital; and
- (c) to amend article 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 9,815,000.00.

3.2 The share capital is divided into 196,300,000 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 9,167,750.00*.

3.2 The share capital is divided into *183,355,000* registered shares with a par value of CHF -.05 each.

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

**B) Explanation**

At the Ordinary Annual General Meeting held on 19 April 2011, the Company's shareholders approved a share buy-back programme with the purpose of capital reduction in the maximum amount of up to 41,326,151 registered shares with a par value of CHF 0.05 each, over a maximum period of three years via a second trading line on SIX Swiss Exchange, by making use of capital contribution reserve.

As at 31 December 2011, the Company had repurchased 12,945,000 registered shares for the purpose of cancellation under its current share buy-back programme 2011–2014. The average purchase price paid for these shares was CHF 13.54 per share. In order to reflect the cancellation of the 12,945,000 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 Statutory Auditors, have confirmed in an audit report prepared for the Ordinary Annual General Meeting that the claims of 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 immediately after the Ordinary Annual General Meeting. Claims may then be registered during a two-month period. Only upon expiration of this two-month period may the capital reduction be effected and entered in the Commercial Register.

## 5. Re-elections to the Board of Directors

The Board of Directors proposes to individually re-elect **Mr Daniel Daeniker** and **Mr Diego du Monceau**, each for a further two-year term.

The nominees have provided valuable service to the Company as members of the Board of Directors since their election on 13 April 2010. During this period, Mr Daniel Daeniker has also served as a member of the Compensation Committee and of the Governance and Nomination Committee, and Mr Diego du Monceau as a member of the Audit Committee and of the Governance and Nomination Committee.

The proposed two-year term of office is in line with the Company's Articles of Incorporation which provides that members should be elected for a maximum term of three years. In line with good corporate governance, the terms of office of members of the Board of Directors have been appropriately staggered. Members whose term of office has expired are immediately eligible for re-election.

For further details on the nominees please see their biographies on [www.gamholding.com](http://www.gamholding.com).

### 5.1 Re-election of Mr Daniel Daeniker

The Board of Directors proposes that **Mr Daniel Daeniker** be re-elected as member of the Board of Directors for a further two-year term.

### 5.2 Re-election of Mr Diego du Monceau

The Board of Directors proposes that **Mr Diego du Monceau** be re-elected as member of the Board of Directors for a further two-year term.

## 6. Amendment to the Articles of Incorporation – Increase in the minimum number of members of the Board of Directors

### A) Proposal

The Board of Directors proposes to amend article 9.1, paragraph 1, of the Articles of Incorporation as follows:

Current version – Article 9 The Board of Directors

9.1 <sup>1</sup>The Board of Directors shall consist of three or more members.

Proposed new version – Article 9 The Board of Directors (change in *italics*)

9.1 <sup>1</sup>The Board of Directors shall consist of *at least five* members.

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

**B) Explanation**

The Company's Board of Directors currently consists of five members. Given the structure of the Company and the corporate governance responsibilities that it needs to discharge, the Board of Directors considers five members as a minimum number appropriate to form effective committees, and thus proposes to amend the Articles of Incorporation accordingly.

**7. 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.

**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 5 April 2012 will be entitled to participate in, and vote at, the Ordinary Annual General Meeting. No registrations and de-registrations of registered shares will be made in the share register from 6 April to 18 April 2012.

**Proxies**

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

GAM Holding AG is prepared to exercise the voting rights of those shareholders who do not wish to attend the Ordinary Annual General Meeting. In such cases the Company will vote in favour of the proposals of the Board of Directors.

Mr Tobias Rohner, Attorney-at-law, BILL ISENEGGER ACKERMANN AG, Witikonstrasse 61, 8032 Zurich, Switzerland, is designated as independent representative to exercise voting rights within the meaning of Article 689c of the Swiss Code of Obligations.

Proxy holders of deposited shares within the meaning of Article 689d of the Swiss Code of Obligations are requested to notify GAM Holding AG of the number of shares they represent as soon as possible, and by 13 April 2012 at the latest. Proxies for deposited shares are deemed to be institutions which are subject to the Swiss Federal Act on Banks and Savings Banks of 8 November 1934, as well as professional investment advisors.

**Simultaneous translations**

The Ordinary 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 2011, which consists of the parent company's and the consolidated financial statements and also includes the business review, was published on 6 March 2012. It can be accessed on GAM Holding AG's website, [www.gamholding.com](http://www.gamholding.com), and is available for inspection at the Company's head office, Klausstrasse 10, 8008 Zurich, Switzerland.

## **Invitation**

In the event of differences between this English translation of the invitation and the original German version, available on GAM Holding AG's website ([www.gamholding.com](http://www.gamholding.com)), the German version shall prevail.

## **Means of transport**

Shareholders are recommended to use public transport.

## **Reception**

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

Zurich, 22 March 2012

## **GAM Holding AG**

For the Board of Directors

The Chairman



Johannes A. de Gier