

Invitation to the Ordinary Annual General Meeting

of GAM Holding AG, Zurich

The Ordinary Annual General Meeting will take place on

Tuesday, 19 April 2011, at 10.00am

**at the Kongresshaus in Zurich, Kammermusiksaal
Entrance V, Gotthardstrasse**

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 2010, 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 2010 be approved.

2. Allocation of reserves, appropriation of retained earnings and of capital contribution reserves

A) Proposal

The Board of Directors proposes the following:

- (a) to allocate the aggregate capital contribution reserves in the amount of CHF 2,092,582,262 from the balance sheet item "Other Reserves" (as part of the free reserves) to the new balance sheet item "Capital Contribution Reserves" (as part of the legal reserves); and

| Equity | 31.12.2010 <u>before</u> transfer | 31.12.2010 <u>after</u> transfer |
|---------------------------------|--------------------------------------|-------------------------------------|
| | CHF million | CHF million |
| Share capital | 10.3 | 10.3 |
| <i>General legal reserve</i> | 5.3 | 2,097.9 |
| - General reserve | 5.3 | 5.3 |
| - Capital contribution reserves | 0 | 2,092.6 |
| Reserve for treasury shares | 281.6 | 281.6 |
| Other reserves | 2,098.6 | 6.0 |
| <i>Retained earnings</i> | 146.4 | 146.4 |
| - Balance brought forward | 0 | 0 |
| - Profit for the year | 146.4 | 146.4 |
| Total equity | 2,542.2 | 2,542.2 |

- (b) to carry forward the retained earnings of CHF 146.4 million available for appropriation and to allocate an amount of CHF 0.50 per registered share entitled to distribution out of Capital Contribution Reserves to Other Reserves and to distribute such amount to the shareholders.

| Appropriation of retained earnings and of capital contribution reserves | CHF million |
|---|-------------|
| Balance brought forward | 0 |
| Profit for the year | 146.4 |
| Transfer from capital contribution reserves | 94.4* |
| Total available for General Meeting | 240.8 |

| | CHF million |
|---|-------------|
| Distribution to the shareholders (out of Capital Contribution Reserves**) | 94.4* |
| Balance to be carried forward | 146.4 |
| | 240.8 |

* Registered shares held by GAM Holding AG are not entitled to receive the distribution. Therefore, the transfer and distribution amount might be adjusted accordingly.

** This distribution is executed via the account "Other Reserves".

B) Explanation

As of 28 February 2011, GAM Holding AG held 17,893,908 registered shares within treasury.

As a result of the Swiss tax reform effective as of the beginning of 2011, GAM Holding AG may make distributions to the shareholders out of its reserves from previous capital contributions instead of dividends out of available earnings, without deducting the Swiss federal withholding tax of 35%. Such distribution will be exempt from income tax for shareholders resident in Switzerland holding the shares as part of their private assets.

If the proposal by the Board of Directors is approved, the distribution out of reserves from capital contributions will amount to CHF 0.50 per registered share.

The last trading day on which shares will carry an entitlement to receive the distribution is 20 April 2011. Shares will be traded without an entitlement to receive the distribution as of 21 April 2011. The distribution will be payable as from 28 April 2011 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 2010 financial year.

4. Capital reduction

4.1 Cancellation of shares and related amendment of Articles of Incorporation

A) Proposal

The Board of Directors proposes the following:

- (a) to cancel 10,330,756 registered shares with a par value of CHF 0.05 each repurchased by the Company under the share buy-back programme 2010–2012, and as a result, to reduce the respective reserves created for such own shares and to reduce the share capital by CHF 516,537.80 from CHF 10,331,537.80 to CHF 9,815,000.00;
- (b) to state that the audit report of the licensed audit expert KPMG Ltd., Zurich, 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 10,331,537.80.

3.2 The share capital is divided into 206,630,756 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 9,815,000.00*.

3.2 The share capital is divided into *196,300,000* registered shares with a par value of CHF -.05 each.

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

B) Explanation

The 10,330,756 registered shares proposed to be cancelled were repurchased by the Company under the share buy-back programme 2010–2012 announced on 24 August 2010 and which commenced on 26 August 2010. The average purchase price for these shares was CHF 14.96 per share. In order to reflect the cancellation of the 10,330,756 repurchased 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 will be reduced accordingly.

KPMG Ltd., 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.

The new share buy-back programme for 2011–2014 submitted to the Ordinary Annual General Meeting for approval under agenda item 4.2 will, if approved, replace this 2010–2012 share buy-back programme.

4.2 Approval of a new share buy-back programme for 2011–2014

A) Proposal

The Board of Directors proposes approval of the following resolution:

"The Board of Directors is hereby authorised to buy back shares in the maximum amount of 20% of the Company's share capital currently inscribed in the Commercial Register, corresponding to 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 reserves. These shares are designated for cancellation and are therefore not subject to the 10% threshold for "own shares" within the meaning of Article 659 of the Swiss Code of Obligations. The respective capital reductions, together with the necessary amendments to the Articles of Incorporation, shall be submitted to future Ordinary Annual General Meetings for approval."

B) Explanation

In order to provide maximum capital management flexibility, the Board of Directors proposes that the Ordinary Annual General Meeting authorise the repurchase of shares up to a maximum amount of 20% of the Company's share capital currently inscribed in the Commercial Register (i.e., up to 41,326,151 shares) over a maximum three-year period. The buy-back will be paid for out of capital contribution reserves. This means that the 35% Swiss federal withholding tax will not be imposed on the buy-back price. This new buy-back programme for 2011-2014 which is subject to the relevant rules and regulations was announced on 1 March 2011. It will, if approved, replace the existing share buy-back programme for 2010-2012 announced on 24 August 2010 and which commenced on 26 August 2010.

The Board of Directors has decided to submit this share buy-back programme to the Ordinary Annual General Meeting for approval. The shareholders shall decide on the final cancellation of the shares purchased pursuant to the buy-back programme for 2011-2014 and any consequential amendments to the Articles of Incorporation at future Ordinary Annual General Meetings.

This two-step procedure, with the shareholders voting on the general issue at a first Ordinary Annual General Meeting and deciding on the final cancellation of shares at subsequent Ordinary Annual General Meetings, has the advantage that, by obtaining shareholder approval for the future cancellation of a maximum number of shares, these shares no longer fall within the statutory limit of Swiss Company Law which prohibits companies from holding more than 10% of their own shares. The proposed procedure thereby provides GAM Holding AG with greater flexibility, which is in the interests of efficient capital management.

5. Re-elections Board of Directors

The Board of Directors proposes to individually re-elect **Mr Johannes A. de Gier**, **Mr Dieter Enkelmann** and **Mr Hugh Scott-Barrett**, each for a two-year term.

The nominees have provided valuable service to the Company as members of the Board of Directors since the individual listing of the Company as of 1 October 2009. During this period, Mr Johannes A. de Gier has served as the Chairman of the Board of Directors, Mr Dieter Enkelmann as the Chairman of the Compensation Committee and Mr Hugh Scott-Barrett as the Chairman of the Audit Committee.

The proposed two-year-term of office is in line with the Company's Articles of Incorporation which provide 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.

5.1 Re-election of Mr Johannes A. de Gier

The Board of Directors proposes that **Mr Johannes A. de Gier** be re-elected as member of the Board of Directors for a two-year term.

5.2 Re-election of Mr Dieter Enkelmann

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

5.3 Re-election of Mr Hugh Scott-Barrett

The Board of Directors proposes that **Mr Hugh Scott-Barrett** be re-elected as a member of the Board of Directors for a two-year term.

6. Appointment of the Statutory Auditors

The Board of Directors proposes that KPMG AG, Zurich, be re-elected as auditors for a 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 per 8 April 2011 will be entitled to participate in and vote at the Ordinary Annual General Meeting. No entries of registered shares will be made in the share register from 11 April to 19 April 2011.

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. Peter Kuhn, Attorney-at-law, BILL ISENEGGER ACKERMANN AG, Witikonstrasse 61, 8032 Zurich, 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, at the latest to notify the persons checking admission to the Ordinary Annual General Meeting itself. 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, which consists of the parent company's and the consolidated financial statements and also includes the Business Review 2010, can be inspected as of 23 March 2011 at GAM Holding AG, Klausstrasse 10, 8008 Zurich.

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), 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, 23 March 2011

GAM Holding AG

For the Board of Directors

The Chairman



Johannes A. de Gier