

Media Release, April 12th, 2017

## **ISS recommends voting for change at GAM Holding AGM**

### **ISS supports RBR Capital Advisors' nominees Robinski and Bohli**

### **ISS affirms that there is a “compelling case that change at the Board level is warranted”**

RBR Capital Advisors (“RBR”) has nominated three independent directors for the Board of Directors of GAM Holding AG (“GAM”), including one director to serve as Chairwoman of GAM. The GAM annual general meeting is scheduled to be held on April 27, 2017.

Today, RBR announced that Institutional Shareholder Services (“ISS”), a leading independent proxy voting advisory firm, has recommended that GAM stockholders vote in support of two of RBR’s director candidates, Ms. Kasia Robinski and Mr. Rudolf Bohli by voting “Yes” on items 6.7 and 6.10 on the GAM agenda. ISS also recommended removing incumbent nominee Diego du Monceau by voting “No” to item 6.2.

After a thorough examination of all the facts, and following lengthy discussions with GAM and RBR, ISS issued a 20-page report in which it concluded that RBR “has made a compelling case that change at the board level is warranted” because, among other things, new directors are needed to “provide the necessary additional oversight at the board level.”

In its report, ISS noted that recent performance “raised doubts about management’s ability to execute the turnaround.”

ISS also wrote:

- “The company’s compensation ratio over the last five years has remained around 50%, approximately 10 percentage points higher than the peer median in any of the last five years.”
- “Over the last five years, GAM’s funds under management have barely increased, while its peers have increased theirs on average by more than 60% over the same period.”
- “Despite a 25% year-over-year drop in pre-tax profit and several other key metrics, the CEO’s ... total granted remuneration increased by 223% in comparison with 2015.”
- “There are considerable doubts about the appropriateness of the board’s past use of discretion in determining variable compensation for executives, and the remuneration system appears to lack appropriate safeguards against inappropriate or excessive pay.”
- “GAM underperformed its peer group and the index of 3- and 5-year periods”

- “The disappointing stock performance in the context of the concerns over the executive compensation practices is even more troubling.”

ISS concluded its report by noting that “change at the board is clearly warranted.”

Responding to ISS’ resounding show of support for change at GAM, Kasia Robinski commented, “We are pleased that ISS recognizes the need for change and considers that adding our nominees to the GAM Board will help to protect stockholder value and bring objective oversight to the Company.” Kasia Robinski continued “The RBR plan is a bottom-up operating plan, that was put together by a team in which William Raynar played an important part. We consider that his knowledge would bring additional advantage to the business.”

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**About RBR Capital Advisors**

RBR Capital Advisors AG, founded in 2003, is an investment management boutique specializing in investments in continental European equities, including long-short and long-only strategies. We are committed to generating double-digit returns for our investors in the equity markets with a commensurate amount of risk taken. We achieve this through our rigorous, robust and time-tested bottom-up research approach which involves several hundred company management meetings per year. We believe that entrepreneurial freedom and passion for what you do brings the best out in people. We set very high standards for what we do and as a consequence we align ourselves with our investors: our own money is invested alongside client assets. Our strengths have been externally recognized in a number of industry award nominations, in particular for long-term performance, such as EuroHedge and HFM Awards. We are proud of our long-term track record – but we remain hungry to perform.

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