RBR CAPITAL ADVISORS

COLOGNY ADVISORS LLP

OPEN LETTER TO THE SHAREHOLDERS OF GATEGROUP

March 30, 2016

Dear shareholders of gategroup,

With reference to our motions regarding the board composition which have been published in the invitation to the AGM, we recommend you vote **'No'** on agenda item 1.3 “Consultative Vote on the 2015 Compensation Report” and agenda item 9.2 “Approval of Maximum Aggregate Amount of Compensation of the Executive Management Board” for 2017.

We have reviewed the compensation report of the 2015 Annual Report as well as the agenda items for the 2016 AGM and our deep-rooted concerns regarding poor corporate governance at gategroup have been confirmed once again. The following is an overview of our findings with regard to the compensation report of the 2015 Annual Report and agenda item 9.2.:

- CEO compensation from 2014 to 2015 doubled if you assume year-end share price. Adjusting for the fact that the CEO only worked nine months, actual compensation almost tripled, despite a deterioriation in operating results, several one-off charges and a substantial net loss for the year. This remuneration is more than 6x the total compensation of the CEO of the best-in-class company in the industry, which has been growing five times faster at twice the EBITDA margin. *(Note 1)*

- Other members of the executive management board received a compensation increase of more than 30% or virtually doubled their compensation if you adjust for the fact that one member left in January 2016 and received no share award. *(Note 2)*

- The shares from the 2015 ELTIP award will vest 100% in 2019 even if the EBITDA margin falls below the lower end of the margin guidance in 2018. *(Note 3)*

- Overall, management compensation in 2015 is excessive compared to the compensation in 2014 and given the deterioriating results of the company. *(Note 4)*

- The board’s proposal to increase the average *maximum* pay per executive management board member by almost 70% in 2017 vs. the average *maximum* pay in 2016 is excessive. This proposal also corresponds to an increase of over 70% from the excessive *actual* compensation in 2015, which was again 60% higher than the *actual* compensation in 2014. *(Note 5)*

- The proposal of a CHF 17.8 million maximum aggregate amount of compensation for the executive management board for 2017 represents an estimated transfer of almost 20% of the expected net profit of the company to the top five executives. *(Note 6)*

- No clear, transparent and ambitous targets have been set by the company to explain what level of performance will trigger this maximum pay.

In summary, remuneration for management has increased substantially while operating results in 2015 have deteriorated. The long-term share awards will vest even if operating results deteriorate further. Consequently, we fail to see any alignment between executive pay and shareholder interests. The proposal to increase the maximum possible compensation for 2017 by 70% is excessive. The lack of clear targets that would trigger this maximum compensation is shocking.

Based on the information provided above, we strongly encourage you to vote **'No'** on agenda item 1.3 and agenda item 9.2.

Should you have any further questions or any suggestions, please do not hesitate to contact us. We look forward to the vote at the upcoming AGM.

Sincerely,

RBR Capital Advisors AG Cologny Advisors LLP

Rudolf Bohli Jonathan Herbert

NOTES

Note 1

The former CEO was awarded CHF 2.8 million in 2014 which included CHF 740,000 for his accumulated pension award. The current CEO was awarded CHF 4.4 million for nine months (CHF 5.6 million with year-end share prices) or CHF 7.5 million on an annualized basis, even with the significantly worse results for shareholders. Given that he is new to the job and new to the industry, it is fair to assume that a significant part of his first nine months was spent to know the customers, suppliers and the key employees of the company.

For the DO&CO 2014/2015 business year, CEO Attila Dogudan and CCO Gottfried Neumeister received a total remuneration of EUR 1.1 million and EUR 865,000, respectively. For the first three quarters of the 2015/2016 business year, the DO&CO Airline Catering segment posted top line growth of 21.3% and an EBITDA margin of 11.4%.

We simply fail to see any logic or alignment with shareholders in the pattern for pay awards granted by the board.

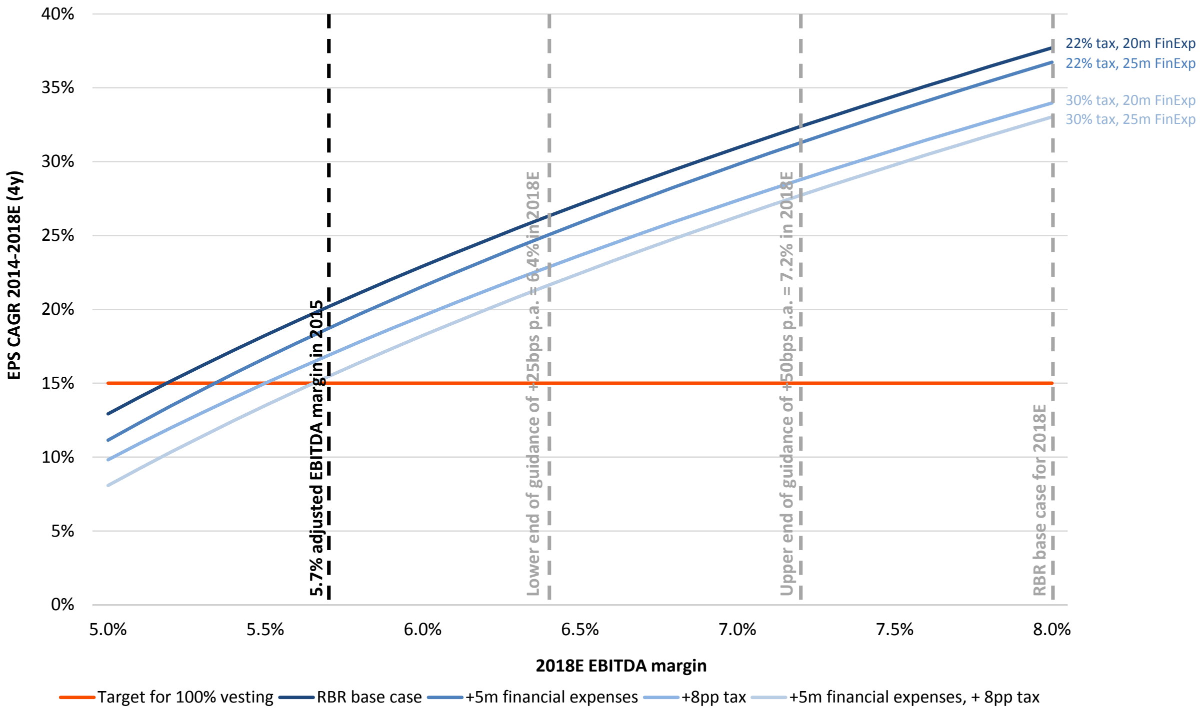
Note 2

In 2014, total pay for nine executive management board members excluding the CEO was CHF 10 million, or about CHF 1.1 million per member. In 2015, total pay for four executive management board members excluding the CEO was CHF 5.9 million, or about CHF 1.5 million per member. It should be noted that David de la Torre, the former Chief Commercial Officer, left the company in January 2016 and hence did not receive any share awards. As a result, the remaining three executive management board members received closer to CHF 2.0 million in 2015. This is almost as much as the former CEO was paid in 2014, excluding the pension scheme award, and almost double what the average executive management board members received in 2014. Again, we fail to see any logic in the huge pay inflation.

Note 3

According to our calculation, 100% of the shares will vest in 2019 even if the performance of the company is below the lower end of their EBITDA margin guidance of an improvement of 25bps p.a. (cf. *Figure 1* below). We estimate that 100% of the shares will vest if the company achieves an EBITDA margin of around 5.2% in 2018 (assuming lower end of guided organic revenue growth of 3% p.a. since 2015, D&A of CHF 60 million, financial expenses incl. associates of CHF 20 million, an effective tax rate of 22% and minority interests of CHF 2 million). Clearly, shareholder interests and management remuneration are not aligned.

Figure 1



Note 4

Management compensation at gategroup is excessive and misleading given the performance of the company. The CEO receives a package of CHF 4.4 million for a company that is loss making and did not show any signs of operational improvement in 2015. Furthermore, the share grant dated 1st of May 2015 shows that the shares were granted only one month after the new CEO joined and have nothing to do with his performance. In addition, at year-end 2015 the share grant was worth about CHF 1.3 milion more than in May. We would argue that his actual pay was CHF 5.6 million rather than the published CHF 4.4 million. It should also be noted that this is a compensation for nine months on the job for a first-time CEO with no industry experience and no operational improvement of the company during the period under review.

Note 5

At the 2015 AGM, the board asked for the approval of a maximum remuneration package for 2016 of CHF 21.2 million for ten members including the CEO. Now the board is asking for CHF 17.8 million for only five members. The average pay per executive board member thus increases by almost 70% from CHF 2.1 million to CHF 3.6 million. Even assuming that the five members who left the company had a maximum pay well below the average, we fail to see what supports such a dramatic increase.

With CHF 10.3 million of aggregate compensation for five executive board members for 2015, actual pay per member increased by 60% to CHF 2.1 million vs. 2014, for which CHF 12.8 million was paid for a total of ten members.

Note 6

The board is asking the shareholders to increase the maximum payout to management to CHF 17.8 million in 2017 from an already excessive pay level of CHF 10.3 million in 2015. Given the management's consistent low-balling of the guidance and the failure to disclose the targets for reaching this maximum payout, we have to assume once again that this payout will be triggered at a very low threshold of operating performance. In any case, CHF 17.8 million will be a substantial part of the net profit of the company for 2017. We estimate that this could easily be 20% of the expected net profits of the company, and it would only go to the top five executives.