

**Notice of**  
**Annual General Meeting and Extraordinary General Meeting in**  
**Oriflame Cosmetics S.A.**  
**Société anonyme**  
**Registered Office: 24, Avenue Emile Reuter, L-2420 Luxembourg**  
**RCS Luxembourg B 8835**

**Time and place**

The Annual General Meeting (“**AGM**”) of Oriflame Cosmetics S.A. (the “**Company**”) in relation to items 1 to 12 of the agenda below will be held at the offices of the Company at 24 Avenue Emile Reuter, L-2420 Luxembourg on 19 May 2014 at 11 a.m. The Extraordinary General Meeting (“**EGM**”) of the Company in relation to item 13 to 23 of the agenda will be held at the same place immediately after the closing of the AGM.

**Agenda**

1. Approval of the Nomination Committee’s proposal that Pontus Andreasson be chairman of both the AGM and the EGM;
2. Reading of the report of the Board of Directors relating to conflicting interests of directors for the financial year ending 31 December 2013;
3. Approval of the reports of the Board of Directors and of the independent auditor (“*réviseur d’entreprises*”) relating to the accounts of the Company as at 31 December 2013;
4. Approval of the balance sheet and of the profit and loss statement of the Company as at 31 December 2013 (the “**Statutory Accounts**”) and of the consolidated accounts of the Company as at 31 December 2013 (the “**Consolidated Accounts**”);
5. Allocation of results of the Company for the financial year ended 31 December 2013 whereby the Board of Directors has proposed that the AGM resolves that (i) the profit for the financial year ended 31 December 2013 be carried forward and (ii) out of the profit brought forward a dividend of up to EUR 1.00 per share (or the Swedish Krona equivalent per Swedish Depository Receipt) be paid in cash in quarterly instalments, with the first instalment of EUR 0.25 per share (or the Swedish Krona equivalent per SDR) to be paid following the AGM, with last day of trading including dividend right on 19 May 2014, record date 22 May 2014 and expected payment date 27 May 2014, and (iii) that the Board of Directors is given a mandate to decide on timing and size of the subsequent quarterly instalments, to be communicated in separate press releases;

6. Presentation of the work of the Board of Directors, the Board Committees and the Nomination Committee;
7. Discharge to the directors and the independent auditor ("*réviseur d'entreprises*") in respect of carrying out their duties during the financial year ended 31 December 2013;
8. Statutory elections including election of the chairman of the Board;
  - 8.1 The Nomination Committee (Per Hesselmark, chairman of the committee (af Jochnick BV), Robert af Jochnick (af Jochnick Family) and Hans Ek (SEB Fonder), together representing over 30 per cent of the number of votes and shares in the Company) has proposed that (i) the current directors Magnus Brännström, Anders Dahlvig, Lilian Fossum Biner, Alexander af Jochnick, Jonas af Jochnick, Robert af Jochnick, Helle Kruse Nielsen and Christian Salamon be re-elected as directors of the Company and that (ii) Anna Malmhake be appointed as new director of the Company for a period ending at the next annual general meeting to be held in order to approve the accounts of the Company for the year ending 31 December 2014;
  - 8.2 The Nomination Committee further proposes that Alexander af Jochnick be elected chairman of the Board for a period ending at the next annual general meeting to be held in order to approve the accounts of the Company for the year ending 31 December 2014;
  - 8.3 Approval of the Nomination Committee's proposal to appoint KPMG Luxembourg S.à r.l., with registered offices at L-2520 Luxembourg, 9 allée Scheffer, registered with the Luxembourg Trade Register under number B 149133, as independent auditor ("*réviseur d'entreprises*") for a new period ending at the next annual general meeting to be held in order to approve the accounts of the Company for the year ending 31 December 2014;
9. Approval of the Board of Director's proposal that the Company shall continue to have a Nomination Committee ("**Committee**") and approval of the procedure in place for the appointment of the members of the Committee, whereby the Board of Directors proposes:

**that** there shall exist a Committee to prepare and make proposals to the AGM regarding the election of the chairman of the AGM, chairman of the Board, directors and, if applicable, auditors, as well as the Board of Directors' fees;

**that** the Chairman of the Board of Directors shall convene the five largest shareholders of the Company, as it is known by the Company at that time, at the end of the third quarter of the year. These shareholders then have the right to appoint one member each to the Committee. If any of the five largest shareholders declines its right to appoint a member of the Committee, or if a member resigns from the Committee and is not replaced by a new member appointed by the same shareholder, the Chairman of the Board may give the shareholder(s) next in size the opportunity to appoint a member of the Committee if it is

considered needed in order to ensure adequate shareholder representation. The Committee should be chaired by one of its members. Members of the Board of Directors may be members of the Committee but may not constitute a majority thereof. If any of the shareholders having appointed a member to the Committee sells a not insignificant part of its shares in the Company and ceases to qualify as a large shareholder with rights to appoint a member to the Committee, the respective member should resign from the Committee, and a new member should be appointed by the shareholder next in size. The Chairman of the Board of Directors shall, as part of the Committees' work, present any matters regarding the Board of Directors' work that may be of importance for the Committee's work, including an evaluation of the work of the Board of Directors and the requirements and skill set to be represented by the Directors to the Committee;

**that** individual shareholders shall have the possibility to give suggestions regarding members of the Board of Directors to the Committee for further assessment within its scope of work;

**that** information regarding the composition of the Committee shall be made public at least six months before the annual general meeting; and

**that** the Committee shall have the right to charge the Company costs for recruitment consultants, if it is deemed necessary to get an adequate selection of candidates for members of the Board of Directors;

10. Approval of the Nomination Committee's proposal regarding directors' and committee fees. The Nomination Committee has proposed that the directors' and committee fees remain unchanged, i.e. EUR 65,500 to the chairman of the Board, EUR 29,000 to each non-executive director, EUR 10,000 to each member of the Audit Committee and EUR 5,000 to each member of the Remuneration Committee. The fees are gross exclusive of any social charges;
11. Approval of the Board of Director's proposal on principles of remuneration to members of the Company's top management. The Board of Directors' proposal for principles of remuneration and other terms of employment for members of the Company's top management entails in essence that the Company shall offer competitive salaries with regard taken to position and market in order to attract and retain the best individuals for the positions and that the remuneration shall consist of the items listed in (i) through (iv) below:
  - (i) Fixed base salary: The members of the Company's top management shall be offered fixed salaries that are competitive and which are based on the respective individual's responsibilities and performance;
  - (ii) Variable compensation: The Company allocates 6.5 per cent of any increase to operating profit to profit sharing to be shared among the Company's top management, however for each individual no more than an equivalent of 12 months' salary. The allocation is according to position and performance during the year. The 6.5 per cent includes company costs for social charges. Moreover, the Company shall continue to offer a Share Incentive Plan which covers the

Company's top management as well as approximately 100 additional Executives and Managers. Each year the individuals are invited to invest in a number of shares at the current market price (the so-called *Investment Shares*) or to designate a certain number of shares they already hold as *Investment Shares*. In return for this they will, within a period of normally three years, receive between 0 and 8 free shares (i.e. the *Achievement Shares*) for each Investment Share, depending on the increase of the operating profit of the Company over this period;

- (iii) Pensions: Members of the Company's top management are offered pension benefits that are competitive in the country where the individual is resident. The Company pays pensions into an independent defined contribution scheme. In addition, the Company has defined contribution schemes for some of the employees in compliance with pension requirements in the countries in which the Company operates;
- (iv) Non-monetary benefits: Members of the Company's top management are entitled to customary non-monetary benefits such as company cars and company health care. Moreover, certain individuals may be offered company housing and other benefits including school fees.

The proposal coincides in all material aspects with the principles adopted at the five latest annual general meetings.

12. Information relating to the cost calculation of the Company's 2011 Share Incentive Plan allocations.
13. Acknowledgment and consideration of the all assets and liabilities contribution (*apport d'universalité*) proposed to take place - in accordance with article 308bis-4 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, (the "**Luxembourg Company Law**") - between the Company, acting as contributing company, and Oriflame Cosmetics Global S.A. ("**OCG**"), acting as beneficiary company (the "**Universal Contribution**") whereby the Company will contribute to OCG all of the assets and liabilities attached to its patrimony (*patrimoine*) under the procedure provided in articles 285 to 308 (at the exclusion of article 303) of the Luxembourg Company Law in consideration for the subscription of 3,000,000 (three million) ordinary shares of OCG, each having a nominal value of EUR 1 (one Euro) with payment of a contribution premium amounting to EUR 298,161,420 (two hundred ninety eight million one hundred sixty one thousand four hundred twenty Euro) (the "**Contribution Premium**") on basis of the common draft terms prepared by the respective board of directors of the Company and OCG (including any appendix attached to it) (the "**Draft Terms**");
14. Acknowledgement of the deposit at the registered office of the Company, respectively the publication on the Company's website, of all relevant documents required to be deposited/made available according to article 295 of the Luxembourg Company Law;
15. Acknowledgment, examination and approval of the common report prepared by the respective boards of directors of the Company and OCG (the "**Boards of Directors Report**") in accordance with article 293 of the Luxembourg Company Law explaining and justifying (inter alia) the legal and economic grounds of the proposed Universal Contribution;

16. Acknowledgment, examination and approval of the three reports issued by KPMG Luxembourg S.à r.l. - acting as special auditor for the purposes of articles 294 and 26-1 of the Luxembourg Company Law - in relation to the Universal Contribution (the “**Special Audit Reports**”);
17. Acknowledgement that a statement to be issued by the Company’s chief financial officer with respect to (i) any material changes occurred regarding the information provided in the Boards of Directors Report and the Draft Terms since their issuance and in the valuation of the assets and liabilities of the Company to be contributed to OCG, (ii) confirming the collection of any and all prior consents from any major financial counterparts of the Company regarding the assignment of their rights and obligations from the Company to OCG under the Universal Contribution and (iii) ascertaining the deposit, respectively the publication of all documents required to be deposited at the registered office of the Company according to article 295 of the Luxembourg Company Law for the purpose of the Universal Contribution (the “**CFO Statement**”) will be presented to the shareholders during the general meeting;
18. Acknowledgement, examination and approval of the Draft Terms drawn-up in accordance with relevant provisions of article 289 of the Luxembourg Company Law and published in the *Mémorial C, Recueil des Sociétés et Associations* on or around 18 April 2014;
19. Subsequent approval of the Universal Contribution under the terms and conditions set forth in the Draft Terms and determination of the legal and economic effective dates of the Universal Contribution;
20. Ratification of any and all actions performed so far by each of the directors of the Company, acting individually or conjointly, in furtherance and in relation to the Universal Contribution;
21. Authorization to any one director of the Company, acting individually under her/his sole signature, in the name and on behalf of the Company, to do whatever is necessary, useful or desirable in her/his sole opinion to implement the resolutions to be adopted on the basis of the present agenda and/or which may be required for the purpose of making the Universal Contribution fully effective vis-à-vis any third parties in any concerned jurisdictions;
22. Proposal to authorize the Board of Directors of the Company to take all relevant actions necessary or desirable, if and when the Board of Directors considers this to be appropriate, for the purpose of changing the domicile of the Oriflame Group from Luxembourg to Switzerland, employing a structure that the Board of Directors considers appropriate. It is to be noted that such a structure may as a final step include a merger between the Company and a new Swiss company to replace the Company as the listed parent company of the Oriflame Group. It is to be further noted that the general meeting of the Company will be convened for the purpose hereof to the extent required under applicable law; and
23. Any other business.

## Notice to shareholders

Shareholders who wish to attend and/or vote at the AGM and EGM must:

- i. in case of registered shareholders, be registered as shareholders in the share register of the Company by midnight CET on 5 May 2014 (the “**Record Date**”), or
- ii. in case of bearer shareholders, must prove their status as bearer shareholders at the Record Date by submitting to the Company no later than 13 May 2014 a certificate issued by their financial intermediary attesting the number of shares they hold at the Record Date, and
- iii. notify the Company of their intention to attend and/or vote at the AGM and EGM no later than the Record Date.

Shareholders (bearer or registered) who wish to attend and/or vote at the AGM and EGM must give notice of their intention to attend and/or vote by sending attendance cards (available on [investors.oriflame.com](http://investors.oriflame.com) under the heading “Attendance Cards for Shareholders”) to the registered address of the Company as stated above of this Convening Notice or by fax (+352 26 20 32 34). They may also send the attendance card by email to the Company ([corporate.governance@oriflame.com](mailto:corporate.governance@oriflame.com)). All attendance cards must be received by the Company no later than the Record Date. The attendance card must be completed in full and duly signed.

Shareholders (bearer or registered) and their proxy holders, as the case may be, who intend to attend the AGM and EGM in person, shall present an official identification document (e.g. passport, identity card, etc.) upon their entry in the AGM and EGM. Corporate shareholders represented by authorized representatives shall in addition supply evidence of the authority given to those persons to represent them at the AGM and EGM.

### *Proxy voting instructions for shareholders (bearer or registered)*

Shareholders need not to be present at the AGM and EGM in person and may appoint any person to be their proxy. The proxy holder shall be appointed in writing and such appointment shall be notified to the Company by using the proxy cards available on [investors.oriflame.com](http://investors.oriflame.com) under the heading “Proxy Cards for Shareholders”. In order to be included in the votes, such proxy cards shall be duly completed and signed and shall be sent by postal services to the Company at the registered address of the Company as stated above of this Convening Notice or by fax (+352 26 20 32 34) or by email ([corporate.governance@oriflame.com](mailto:corporate.governance@oriflame.com)) and received by the Company no later than 5:00 p.m. CET on 13 May 2014. If the proxy card is issued on behalf of a legal entity, a certified copy of a registration certificate or corresponding document shall be appended. The original proxy card and, where applicable, the certificate should be received by the Company at the address indicated above no later than 9:00 a.m. CET on 16 May 2014.

Please observe that conversion from shares into SDRs and vice versa is not allowed during the period from 15 up to and including 22 May 2014.

## Notice to SDR holders

Holders of Swedish Depository Receipts of the Company (“**SDRs**”) who wish to attend and/or vote at the AGM and EGM must:

- i. be directly registered or have a voting-right registration in the register kept by Euroclear Sweden AB (“**Euroclear**”) on 5 May 2014 (i.e. the **Record Date**), and
- ii. if they wish to attend the AGM and EGM, notify Skandinaviska Enskilda Banken AB (publ) (“**SEB**”) of their intention to attend the AGM and EGM no later than on 13 May 2014 .

SDR holders who wish to attend the AGM and EGM must give their notice by sending attendance cards (available on [investors.oriflame.com](http://investors.oriflame.com) under the heading “Attendance Cards for SDR Holders”) by post to Skandinaviska Enskilda Banken AB (publ), Issuer Agent Department, RB6, SE-106 40 Stockholm, Sweden. They may also send the attendance card by e-mail to [issuedepartment2@seb.se](mailto:issuedepartment2@seb.se). All attendance cards must be received by SEB no later than 5:00 p.m. CET on 13 May 2014. The attendance card must be completed in full and duly signed.

### *Voting instructions for SDR holders*

For SDR holders voting is not carried out by attending the AGM and EGM. Voting can only be carried out by giving a voting proxy to SEB. Proxy cards (available on [investors.oriflame.com](http://investors.oriflame.com) under the heading “Proxy Cards for SDR Holders”) must be used. Fully completed and signed proxy cards must, in order to be included in the votes, be sent by post to Skandinaviska Enskilda Banken AB (publ), Issuer Agent Department, RB6, SE-106 40 Stockholm, Sweden or by e-mail to [issuedepartment2@seb.se](mailto:issuedepartment2@seb.se) and shall be received by SEB no later than 5:00 p.m. CET on 13 May 2014. If the proxy card is issued on behalf of a legal entity, a certified copy of a registration certificate or corresponding document shall be appended. If sent by e-mail, then the original proxy card and, where applicable, the certificate should be received in original by SEB at the postal address indicated above no later than 9:00 a.m. CET on 16 May 2014.

Only directly registered SDRs are registered in the name of the holder in the register kept by Euroclear. SDR holders registered in the name of a nominee (which may be a broker or a bank) must have their SDRs registered in their own names in the Euroclear register to be entitled to attend and/or give instructions to SEB to vote at the AGM and EGM. SDR holders whose holdings are registered with a nominee should therefore request their nominee to request a temporary owner registration (so-called voting-right registration) well ahead of the Record Date if they wish to attend at the AGM and EGM and/or exercise their voting right.

SDR holders that have not given SEB instruction as to the exercise of the voting rights pertaining to the shares represented by their respective SDRs at the AGM and EGM by sending/delivering to SEB a completed and signed proxy card, shall be deemed to have instructed SEB to give a proxy to a person designated by the

Company to vote for the shares in the same manner and in the same proportion as all other shares in the Company represented by SDRs that are being voted for at the AGM and EGM. However, no such instruction from the SDR holders to SEB shall be deemed given with respect to any matter where giving such instructions and/or discretionary proxy would not be permitted by applicable law.

Please observe that conversion from SDRs into shares and vice versa is not allowed during the period from 15 up to and including 22 May 2014.

### **General information for shareholders and SDR holders**

In accordance with Luxembourg law, shareholders and SDR holders holding individually or collectively at least five per cent (5%) of the issued share capital of the Company have the right to put items on the Agenda of the AGM and EGM and to table draft resolutions for items included or to be included on the Agenda of the AGM and EGM. These rights shall be exercised upon written requests of the shareholders and SDR holders submitted to the Company by postal services at the registered address of the Company or by email ([corporate.governance@oriflame.com](mailto:corporate.governance@oriflame.com)). The requests shall be accompanied by a justification or a draft resolution to be adopted by the AGM and EGM and shall include the electronic or mailing address at which the Company can acknowledge receipt of these requests. The requests from the shareholders and SDR holders shall be received by the Company at the latest on 28 April 2014.

The AGM can be validly held without any specific quorum and resolutions shall be validly adopted at the AGM if approved by a majority of the shares present or represented and authorized to vote. The EGM is only validly held if at least 50 per cent of the shares authorized to vote are present or represented at the EGM. If the quorum is not reached at the first EGM, a second meeting may be convened at which no quorum requirement shall apply. Resolutions shall be validly adopted at the EGM if approved by a qualified majority of at least 2/3 of the shares present or represented and authorized to vote.

#### *Further information on the corporate website*

This Notice, attendance and proxy cards for shareholders and SDR holders respectively, any supporting documentation with respect to the items of the agenda of the AGM and the EGM, as well as the draft resolutions for each item of the agenda of the convened general meetings and as the case may be the draft resolutions submitted by the shareholders and the SDR holders are, as from the publication date of this Convening Notice, deposited and made available to the public at the Company's registered office and on the website of the Company at [investors.oriflame.com](http://investors.oriflame.com) as of the day of publication of this Notice.

Shareholders and SDR holders of the Company may obtain a copy of the full, unabridged text of the document to be submitted to the AGM and EGM and of the draft resolutions proposed to be adopted by the AGM and EGM by addressing their request to the Company by email ([corporate.governance@oriflame.com](mailto:corporate.governance@oriflame.com)) or by post at the registered office of the Company.



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Luxembourg in April 2014  
Oriflame Cosmetics S.A.  
The Board of Directors