

**Notice of  
Annual 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 15 of the agenda below will be held at the offices of the Company at 24 Avenue Emile Reuter, L-2420 Luxembourg on 19 May 2015 at 11 a.m.

**Agenda**

1. Approval of the Nomination Committee’s proposal that Pontus Andreasson be chairman of the AGM;
2. Reading of the report of the Board of Directors relating to conflicting interests of directors for the financial year ending 31 December 2014;
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 2014;
4. Approval of the balance sheet and of the profit and loss statement of the Company as at 31 December 2014 (the “**Statutory Accounts**”) and of the consolidated accounts of the Company as at 31 December 2014 (the “**Consolidated Accounts**”);
5. Allocation of results of the Company for the financial year ended 31 December 2014 whereby the Board of Directors has proposed that the AGM resolves that the profit for the financial year ended 31 December 2014 be carried forward and that no dividend be paid out of the profits;
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 2014;
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), Alexander af Jochnick (af Jochnick Family), Hans Ek (SEB Investment Management AB) and Per Colleen (Fourth Swedish National Pension Fund), together representing over 35 per cent of the number of votes and shares in the Company) has proposed that all current directors Magnus Brännström, Anders Dahlvig, Lilian Fossum Biner, Alexander af Jochnick, Jonas af Jochnick, Robert af Jochnick, Anna Malmhake, Helle Kruse Nielsen and Christian Salamon be re-elected as directors 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 2015;
  - 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 2015;
  - 8.3 Approval of the Nomination Committee's proposal to appoint KPMG Luxembourg Société coopérative, with registered offices at L-1855 Luxembourg, 39 Avenue John F Kennedy, 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 2015;
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 10 per cent of any operating profit increase 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 10 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 50 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 to five years, receive between 0 and 8 free shares (i.e. the *Achievement Shares*) for each Investment Share, depending on the development 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 except for the following: The allocation of operating profit increase for profit sharing among the Company's top management is with this proposal increased from the previous years' 6.5 per cent to 10 per cent. The rationale behind the increase is last year's expansion of the number of persons in the top management of the Company eligible for this profit sharing. The profit sharing entitlement replaces previous bonus scheme entitlements for the new members of top management and the increase of the profit sharing is not expected to lead to any material increase of the total remuneration to management of the Company.

12. Information relating to the cost calculation of the Company's 2011 Share Incentive Plan allocations.
13. Approval of the Board of Director's proposal to amend the achievement share award grid for the participants in the 2013 share investment offer under the 4-year 2011 Share Incentive Plan (the "2011 Plan") as follows: instead of the previous right to receive between 0 to 8 achievement shares per investment share depending on the increase of the operating profit during the investment period, the award grid is proposed to be amended so that 2 achievement shares per investment share are awarded if the Company reaches its 2015 operating profit target. The reason for the suggested amendment is that the original grid for the 2013 investments, as decided by the Board in December 2012, was based on the long term strategic growth scenario of the Company set in 2012. Since then the circumstances and overall situation of the Company have changed significantly, resulting in the award grid for the 2013 investment offers no longer being fit to purpose. The proposed amendment is made in order to reintroduce the motivational effect that a share incentive plan is supposed to provide, and thereby ensure alignment of the interests of the share incentive plan participants, the Company and its shareholders. The dilution created so far (i.e. by the 2011 and 2012 investment offers) under the 2011 Plan is 0.3 per cent, and the cost of the plan so far is 0 euro. The current projection for the 2013 and 2014 investment offers under the 2011 Plan is that they will not result in any achievement shares, hence no further dilution or cost. The approval of the suggested amended grid for 2013 investments will result in a maximum total potential additional dilution of 0.3 per cent, and a maximum total potential cost of EUR 2,700,000 (excluding social charges costs). For further information about current outstanding incentive plans of the Company, reference is made to item 12 of this notice and note 23 of the Annual Report 2014 for the Oriflame group.
14. Approval in principle of the Board of Director's proposal to implement a new share incentive plan for key employees of the Oriflame group (the "Participants") for the years 2015-2018 (the "2015 Plan") having the following general terms and conditions: To offer to purchase or designate shares corresponding to a fair

market value of up to EUR 2,000,000 annually over the years 2015-2018 as investment shares (the “**Investment Shares**”), however subject to the additional requirement that the number of Investment Shares to be offered under the 2015 Plan shall be determined by the Board of Directors of the Company and its successors, transferees or assignees as the case may be so that the potential share capital dilution resulting from the 2015 Plan shall amount to less than 1 per cent per investment year of the plan, i.e. 3 per cent in total over the lifetime of the 2015 Plan. Up to 8 times the shares issued as Investment Shares will be available to be allocated to the Participants as free shares (the “**Achievement Shares**”). The allotment of Achievement Shares to each Participant will be between 0 and 8 Achievement Shares for each Investment Share, depending on the development of the year end operating profit of the Oriflame Group as from the start of the investment period until the 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> anniversary (as applicable) of the purchase of each Investment Share. The levels of operating profit development required for each Achievement Share level will be determined by the Board of Directors to provide a fair balance between performance and reward. Under IFRS 2 the cost of the 2015 Plan must be expensed through the operating statement over the life of the plan. The maximum cost will amount to EUR 54,000,000 to be expensed over the period 2015-2022. In addition to this amount, costs in the form of social charges will arise. However, as the social charges will depend on the value of the Achievement Shares at the time of issuance and furthermore on where the Participants are resident at the time of allotment of the Achievement Shares, they cannot be calculated at this stage. The reason for the proposal is that a long-term ownership interest of the Participants is likely to increase their interest in the business and the results of the Oriflame group and that it will increase the motivation and mutual interests of the Participants and the Company. The proposal is therefore deemed to be beneficial for the Company and its shareholders. For the purpose of the implementation of the 2015 Plan and the transfer of Investment Shares and Achievement Shares under this plan, the Board of Directors intends to issue new shares and will seek any further authorisations relevant for such issuance from the general meeting when deemed appropriate by the Board of Directors. For further information about current outstanding incentive plans of the Company, reference is made to items 12 and 13 of this notice and note 23 of the Annual Report 2014 for the Oriflame group.

15. Any other business.

#### **Notice to SDR holders**

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

- i. be directly registered or have a voting-right registration in the register kept by Euroclear Sweden AB (“**Euroclear**”) on 5 May 2015 (i.e. the **Record Date**), and
- ii. if they wish to attend the AGM, notify Skandinaviska Enskilda Banken AB (publ) (“**SEB**”) of their intention to attend the AGM no later than on 12 May 2015.

SDR holders who wish to attend the AGM must give their notice by sending attendance cards (available on [investors.oriflame.com](http://investors.oriflame.com) under the heading “General Meetings”) 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 12 May 2015. 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. 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 “General Meetings”) 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 12 May 2015. 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 18 May 2015.

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. 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/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 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. 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.

## Notice to shareholders

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

- i. in case of registered shareholders, be registered as shareholders in the share register of the Company by midnight CET on 5 May 2015 (the “**Record Date**”), or
- ii. in case of bearer shareholders, must prove their status as registered bearer shareholders at the Record Date by submitting to the Company no later than 12 May 2015 a certificate issued by the depositary agent appointed by the Company (i.e. Mr. François Brouxel, Avocat à la Cour, 69, boulevard de la Pétrusse, L-2320 Luxembourg) 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 no later than the Record Date.

Shareholders (bearer or registered) who wish to attend and/or vote at the AGM 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 “General Meetings”) 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 in person, shall present an official identification document (e.g. passport, identity card, etc.) upon their entry in the AGM. Corporate shareholders represented by authorized representatives shall in addition supply evidence of the authority given to those persons to represent them at the AGM.

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

Shareholders need not to be present at the AGM 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 “General Meetings”. 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 12 May 2015. 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 18 May 2015.

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

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 to table draft resolutions for items included or to be included on the Agenda of the AGM. 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 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 2015.

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.

### *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, 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) under the heading "General Meetings" 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 of the draft resolutions proposed to be adopted by the AGM 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.

**Luxembourg, in April 2015**  
**Oriflame Cosmetics S.A.**  
**The Board of Directors**