



Invitation

It is our pleasure to invite all shareholders of Oriflame Holding AG, Schaffhausen (the **Company**), to the annual general shareholders' meeting (the **Annual General Shareholders' Meeting**) which will take place on 17 May 2016 at 10 am CET at the Radisson Blu Hotel, Zurich Airport, Switzerland. The doors will open at 9.30 am CET.

A. Agenda and Proposals

1. Approval of the Annual Report, the Statutory Financial Statements and the Consolidated Financial Statements 2015

The board of directors of the Company (the Board of Directors) proposes to approve the annual report, the statutory financial statements and the consolidated financial statements 2015.

2. Consultative Vote on the Compensation Report 2015

The Board of Directors proposes to approve, on a consultative basis, the compensation report for the business year 2015 (pages 44 to 50 of the annual report).

Explanation: In line with Swiss best practice, the Board of Directors is seeking shareholders' approval on the compensation report 2015 on a consultative basis.

3. Appropriation of Available Earnings (Net Loss Carry Forward)

	EUR	CHF
Accumulated loss brought forward	(81,528)	(98,960)
Loss for the period	(44,596,106)	(47,610,803)
Currency conversion reserve		(927,577)
To be carried forward	<u>(44,677,634)</u>	<u>(48,637,340)</u>

The Board of Directors proposes to carry forward the net loss in the amount of EUR 44,677,634 as shown in the statutory financial statements.

Explanation: Only the statutory financial statements show a net loss while the consolidated financial statements evidence a profit.

4. Dividend Distribution out of Capital Contribution Reserve

The Board of Directors proposes that (i) CHF 33,000,000 of the Company's "capital contribution reserve" (the **Capital Contribution Reserve**) be released and allocated to "dividend reserve from capital contribution" (the **Dividend Reserve**), (ii) a dividend in the amount of EUR 0.40 per outstanding share of the Company be distributed out of, and limited at a maximum to the amount of, such Dividend Reserve and paid in two installments as follows: EUR 0.20 to the shareholders of record on 15 November 2016 and EUR 0.20 to the shareholders of record on 15 February 2017, and (iii) any amount of the Dividend Reserve remaining after payment of the final installment be automatically reallocated to the Capital Contribution Reserve. Dividend payments shall be made with respect to the outstanding share capital of the Company on the record date for the applicable installment, which amount will exclude any shares held by the Company or any of its direct or indirect subsidiaries.

	Capital Contribution Reserves		Dividend Reserve	
	EUR	CHF	EUR	CHF
Balance as of 31 December 2015	654,381,099	684,619,033	–	–
Proposed release from the Capital Contribution Reserve to the Dividend Reserve	(30,456,853)	(33,000,000)	30,456,853	33,000,000
Balance to be carried forward	<u>623,924,246</u>	<u>651,619,033</u>	<u>30,456,853</u>	<u>33,000,000</u>

Explanation:

- (a) The Board of Directors is seeking shareholder approval of a distribution of a dividend out of the Capital Contribution Reserve in an aggregate amount of EUR 0.40 per outstanding share of the Company, to be paid in two installments as set out above. The payment is expected to occur within seven business days following each dividend record date.
- (b) Unlike a dividend out of available earnings, a distribution out of the Capital Contribution Reserve in the form of a dividend is not subject to Swiss federal withholding tax.
- (c) The dividend payments will be made with respect to the outstanding shares of the Company on the record date for each applicable installment, however excluding any shares held by the Company or any of its direct or indirect subsidiaries. The number of shares eligible for dividend payments may change due to the repurchase of shares, the sale of treasury shares or the issuance of new shares, including (without limitation) from the conditional and the authorized share capital reserved for the employee share incentive plan.
- (d) The Board of Directors is proposing that CHF 33,000,000 of the existing additional paid-in capital (which under Swiss law is referred to as "capital contribution reserve") be made available for purposes of the EUR 0.40 dividend per share by way of a release and allocation to the account "dividend reserve". Such allocation is required to be in CHF. Based on the number of shares outstanding as of 31 December 2015, the amount of the proposed aggregate dividend would be EUR 22,283,425. Accordingly, the Dividend Reserve of CHF 33,000,000 (EUR 30,456,853 based on the currency conversion rate as of 31 December 2015 of 1.0835 EUR/CHF) exceeds the aggregate dividend amount by about 37%.
- (e) The Board of Directors is proposing this excess amount in order to create a buffer to minimize any risk that i) the further issuance of any new shares after the date hereof (which shares, to the extent then outstanding, would generally share in the dividend installments) and ii) any EUR-CHF exchange rate changes would reduce the EUR amount of the Dividend Reserve available for distribution. To clarify, the Board of Directors does currently not envisage any further issuance of new shares before the 2017 annual general shareholders' meeting other than the issuance of up to a maximum of 50,000 additional shares to be used as achievement shares related to the 2013 investments under the Company's Share Incentive and Retention Plan, which vests during 2016.
- (f) In the unlikely event that, notwithstanding the allocation of this excess amount to the Dividend Reserve, the Dividend Reserve would be exceeded upon the occurrence of the payment date for a dividend installment, the Company would be required under the terms of the proposed shareholder resolution to adjust the relevant installment downward on a pro rata basis so that the aggregate payments do not exceed the Dividend Reserve. In any event, the dividend payment will not exceed a total of EUR 0.40 per share. If the aggregate dividend payment is lower than the allocation to the Dividend Reserve, the relevant difference will be allocated back to the Capital Contribution Reserve.

5. Discharge of the Board of Directors and Members of the Executive Management

The Board of Directors proposes to grant discharge to the members of the Board of Directors and the Company's executive management (the **Executive Management**) for the business year 2015.

6. Elections

6.1 Re-Elections of Existing Board Members

The Board of Directors proposes to re-elect the following members of the Board of Directors, each for a term of one year ending after completion of the next annual general shareholders' meeting:

- Alexander af Jochnick
- Jonas af Jochnick
- Robert af Jochnick
- Magnus Brännström
- Anders Dahlvig
- Anna Malmhake
- Christian Salamon

Explanation: All re-elections are held individually. The curricula vitae of the current members of the Board of Directors are available in the 2015 annual report and also on the Company's website under <http://investors.oriflame.com/> Corporate Governance / Board of Directors.

Lilian Fossum Biner and Helle Kruse Nielsen have declined reelection after serving nine and eleven years, respectively, and will retire from the Board of Directors at end of the Annual General Shareholders' Meeting.

The Oriflame Group's CFO, Gabriel Bennet, was last year appointed as a member of the Board of Directors in order to, for a transitional period, facilitate the administration of the recent domicile change of the Oriflame Group from Luxembourg to Switzerland. As the domicile change was successfully completed in September 2015, Gabriel Bennet is not proposed for re-election to the Board of Directors. Gabriel Bennet continues in his role as CFO.

6.2 Elections of New Board Members

The Board of Directors proposes to elect Karen Tobiasen and Mona Abbasi as new members of the Board of Directors for a term of one year ending after completion of the next annual general shareholders' meeting.

Explanation: The elections are held individually.

Karen Tobiasen will bring extensive international HR know-how, business transformation experience and cultural focus to the Board. She was born in 1965 and holds a BA in Business Economics from Copenhagen Business School, an E\*MBA from SIMI and a Msc in Gestalt psychotherapy from Gestalt Adademin, Stockholm. Her career includes several executive positions especially within HR and transformation e.g. with Philips Lighting, SAP EMEA & India and Mercuri Urval. Karen Tobiasen has no other Board assignments.

Mona Abbasi will bring extensive global consumer insight know-how combined with strategic product development experience. She was born in 1973 and has University education from Umeå University, York University Toronto, Stockholm University as well as University College London, where she wrote a Master's thesis in Human Geography. She also has additional education from the Stockholm School of Economics. Mona Abbasi is VP 360 Consumer Experience at Global Marketing, AB Electrolux since 2008. Her previous career includes executive positions with Sony Ericsson, Orange, Ericsson and Research International. She has no other Board assignments.

6.3 Re-Election of the Chairman

The Board of Directors proposes to re-elect Alexander af Jochnick as chairman of the Board of Directors for a term of one year ending after completion of the next annual general shareholders' meeting.

6.4 Election of Members of the Remuneration Committee

The Board of Directors proposes to re-elect Alexander af Jochnick and to elect Karen Tobiasen as members to the remuneration committee for a term of one year until the next annual general shareholders' meeting.

Explanation: Both elections are held individually. As current remuneration committee member Lilian Fossum Biner has declined reelection as a member of the Board of Directors, she will need to be replaced as a member of the remuneration committee as well.

6.5 Re-Election of the Independent Proxy

The Board of Directors proposes to re-elect Dr. Florian S. Jörg, attorney-at-law, c/o Bratschi Wiederkkehr & Buob AG, Zurich, Switzerland, as independent proxy for a term of one year ending after completion of the next annual general shareholders' meeting.

6.6 Re-Election of the Statutory Auditors

The Board of Directors proposes to re-elect KPMG AG (CHE-106.084.881), Zurich, as the statutory auditors for the business year 2016.

7. Vote on the Compensation of the Members of the Board of Directors and the Executive Management

7.1 Compensation for the Members of the Board of Directors (Non-Executive Members)

The Board of Directors proposes to approve the maximum aggregate amount of EUR 410,000 as compensation for the (non-executive) members of the Board of Directors for the period until the end of the 2017 annual general shareholders' meeting.

Explanation: The above proposal is based on board and committee fees apportioned as follows (2015 remuneration in brackets): EUR 70,000 (65,500) to the Chairman of the Board; EUR 35,000 (29,000) to each non-executive Director of the Board; EUR 15,000 (10,000) to the chairman of the audit committee, EUR 10,000 (10,000) to each audit committee member, EUR 10,000 (5,000) for each remuneration committee member, EUR 10,000 (new) for each nomination and governance committee member. The proposed fees are considered to be motivated in order to attract and retain the competence relevant for the Company, and are considered to be in line with Swedish, and below Swiss, benchmarks relevant for the Company's industry, size and complexity. The actual compensation paid to each (non-executive) member of the Board of Directors during a business year is disclosed in the respective compensation report governing such business year and is made available (together with the accompanying audit report) to the shareholders in accordance with applicable Swiss law.

7.2 Compensation of the Members of the Executive Management

7.2.1 Approval of the Maximum Aggregate Amount of Fixed Compensation

The Board of Directors proposes to approve the maximum aggregate amount of EUR 4,800,000 as fixed compensation for the members of the Executive Management (incl. any executive member of the Board of Directors) for the period from 1 July 2016 until 30 June 2017.

7.2.2. Approval of the Maximum Aggregate Amount of Variable Compensation

The Board of Directors proposes to approve the maximum aggregate amount of EUR 2,400,000 (such amount includes up to 199,536 registered shares in the Company with a nominal value of CHF 1.50 each, comprising the maximum amount of achievement shares that can be awarded under the Company's 2015 share incentive program offer, with an aggregate value of EUR 2,286,683) as variable compensation for the Executive Management (incl. any executive member of the Board of Directors) regarding their performance during the business year 2015.

Explanation:

- (a) The actual compensation paid to the members of the Executive Management (incl. any executive member of the Board of Directors) during a business year is disclosed in the respective compensation report governing such business year and will be made available (together with the accompanying audit report) to the shareholders in accordance with applicable Swiss law.
- (b) The variable compensation of members of the Executive Management (incl. any executive member of the Board of Directors) consists of (i) Operating Profit sharing entitlement under the Profit Sharing Plan and (ii) the value of investment share grants awarded in 2015 under the Company's share incentive program. The aggregate value of such grants (EUR 2,286,683) is calculated according to IFRS methodology and based on the fair value at grant date of EUR 11.46 per investment share and assuming maximum award of 8 achievement shares per investment share. The actual number of achievement shares to be awarded at vesting will range between 0 to 8 achievement shares per investment share depending on the adjusted operating profit development during the investment period. The actual value of the share entitlement at pay-out on the vesting dates (during years 2018-2020) may furthermore differ due to share price fluctuations.
- (c) For further details on the Company's Board and Executive Remuneration, please refer to the compensation report (pages 44 to 50 of the annual report), also available under <http://investors.oriflame.com> / General Meetings.

8. Authorized Capital (Extension of Availability)

The Board of Directors proposes to amend art. 3bis of the Company's articles of association (Authorized Share Capital) as follows:

Art. 3<sup>bis</sup>  
Genehmigtes Aktienkapital

<sup>1</sup> Der Verwaltungsrat ist ermächtigt (einschliesslich im Falle eines öffentlichen Angebots für Aktien der Gesellschaft), jederzeit bis zum 19. Juni 2017 17. Mai 2018 das Aktienkapital im Maximalbetrag von CHF 13'174'326 durch Ausgabe von höchstens 8'782'884 voll zu liberierenden Namenaktien mit einem Nennwert von je CHF 1.50 zu erhöhen. Erhöhungen in Teilbeträgen sind gestattet.

<sup>2</sup> Das Bezugsrecht der Aktionäre der Gesellschaft wird für maximal 2'875'949 Namenaktien mit einem Nennwert von je CHF 1.50 entzogen und SEB (wie nachfolgend definiert), handelnd als Umtauschagent namens und für Rechnung der Eigentümer von Oriflame SDRs (wie nachfolgend definiert), welche das Tauschangebot (wie nachfolgend definiert) im Rahmen der allenfalls verlängerten Nachfrist(en) annehmen, oder François Brouxel (wie nachfolgend definiert), handelnd als Umtauschagent namens und für Rechnung der Namen- und Inhaberaktionäre der Oriflame Cosmetics S.A., Luxembourg, welche das Tauschangebot im Rahmen der allenfalls verlängerten Nachfrist(en) annehmen, zugewiesen.

<sup>32</sup> Der Verwaltungsrat ist ferner (einschliesslich im Falle eines öffentlichen Angebots für Aktien der Gesellschaft) ermächtigt, das Bezugsrecht der Aktionäre zu beschränken oder aufzuheben oder Dritten zuzuweisen, auch bezüglich des genehmigten Aktienkapitals gemäss Art. 3<sup>bis</sup> Abs. 2 (soweit dieses genehmigte Aktienkapital im Rahmen der Abwicklung und nach Abschluss des Vollzugs des Tauschangebotes nicht mehr benötigt wird); im Falle der Verwendung der Aktien:

- (a) für die Übernahme von Unternehmen, Unternehmensteilen oder Beteiligungen oder für neue Investitionsvorhaben oder für die Finanzierung oder Refinanzierung solcher Transaktionen;
- (b) für Zwecke der Beteiligung strategischer Partner oder zum Zwecke der Erweiterung des Aktionärskreises in bestimmten Investorenmärkten oder im Zusammenhang mit der Kotierung der Aktien an inländischen oder an ausländischen Börsen, inklusive im Zusammenhang mit der Gewährung einer Mehrzuteilungsoption an ein Bankenkonsortium;
- (c) für Beteiligungen von Mitarbeitern oder Verwaltungsräten der Gesellschaft oder von Konzerngesellschaften;
- (d) für die rasche und flexible Beschaffung von Eigenkapital durch eine Aktienplatzierung, welche mit Bezugsrechten nur schwer möglich wäre.

<sup>43</sup> Zeichnung und Erwerb der neuen Aktien sowie jede nachfolgende Übertragung der Aktien unterliegen den Bestimmungen gemäss Art. 5 der Statuten.

Art. 3<sup>bis</sup>  
Authorized Share Capital

<sup>1</sup> The Board of Directors shall be authorized (including in case of a public offer for shares of the Company) to increase the share capital in an amount not to exceed CHF 13,174,326 through the issuance of up to 8,782,884 fully paid-in registered shares with a nominal value of CHF 1.50 per share by not later than 19 June 2017 17 May 2018. Increases in partial amounts shall be permitted.

<sup>2</sup> The pre-emptive subscription rights of the shareholders of the Company are withdrawn and revoked for up to 2,875,949 fully paid-in registered shares with a nominal value of CHF 1.50 per share and allocated to SEB (as defined hereinafter), acting as exchange agent, in the name and for the account of the holders of Oriflame SDRs (as defined hereinafter), who accept the Exchange Offer (as defined hereinafter) within (a) potentially extended acceptance period(s), or to François Brouxel (as defined hereinafter), acting as exchange agent, in the name and for the account of the holders of registered shares and bearer shares in Oriflame Cosmetics S.A., Luxembourg, who accept the Exchange Offer within (a) potentially extended acceptance period(s):

<sup>32</sup> The Board of Directors is authorized further authorized (including in case of a public offer for shares of the Company) to restrict or deny revoke the pre-emptive subscription rights of shareholders or allocate such rights to third parties, also regarding the authorized capital according to art. 3<sup>bis</sup> section 2 (to the extent such authorized share capital is no longer required for the purposes of and upon completion of the execution of the Exchange Offer); if the shares are to be used:

- (a) for the acquisition of enterprises, parts of enterprises, or participations, or for new investments, or for the financing or refinancing of such transactions;
- (b) for the purpose of the participation of a strategic partner or for the purpose of broadening the shareholder constituency in certain investor markets or in connection with a listing of the shares on domestic or foreign stock exchanges, including in connection with the grant of an over-allotment option to a consortium of banks;
- (c) for the participation of employees or members of the Board of Directors of the Company or of group companies;
- (d) in order to quickly and flexibly raise equity capital by a share placement, which would be difficult to achieve with preferential subscription rights.

<sup>43</sup> The subscription and acquisition of the new shares, as well as each subsequent transfer of the shares, shall be subject to the provisions of art. 5 of the Articles of Association.

<sup>54</sup> Der Verwaltungsrat legt den Ausgabebetrag, die Art der Einlagen, den Zeitpunkt der Ausgabe der neuen Aktien, die Bedingungen der Bezugsrechtsausübung und den Beginn der Dividendenberechtigung fest. Dabei kann der Verwaltungsrat neue Aktien mittels Festübernahme durch eine Bank, ein Bankenkonsortium oder einen Dritten und anschliessendem Angebot an die bisherigen Aktionäre ausgeben. Nicht ausgeübte Bezugsrechte kann der Verwaltungsrat verfallen lassen, oder er kann diese bzw. Aktien, für welche Bezugsrechte eingeräumt, aber nicht ausgeübt werden, zu Marktkonditionen platzieren oder anderweitig im Interesse der Gesellschaft verwenden.

<sup>54</sup> The Board of Directors shall determine the issue price, the type of payment, the date of issue of new shares, the conditions for the exercise of the pre-emptive subscription rights, and the beginning date for dividend entitlement. In this regard, the Board of Directors may issue new shares by means of a firm underwriting through a banking institution, a syndicate or another third party and a subsequent offer of these shares to the current shareholders. The Board of Directors may permit pre-emptive subscription rights that have not been exercised to expire or it may place these rights and shares to which pre-emptive subscription rights have been granted but not exercised, at market conditions or use them for other purposes in the interest of the Company.

Explanation: The proposed amendment to art. 3<sup>bis</sup> of the Company's articles of association (Authorized Share Capital) serves a dual purpose. On one hand, after the successful exchange offer conducted in 2015 to move the effective seat of the Oriflame group to Switzerland, the proposed amendment eliminates any now obsolete references to such exchange offer from the Company's authorized share capital. On the other hand, the remaining availability under the existing authorized capital is kept in order to maintain an adequate flexibility for the Board of Directors to resolve on capital increases if deemed to be in the best interest of the Company. For the avoidance of doubt the Board of Directors currently has no plans to issue any additional shares (other than shares to be issued as a part of existing and future allocations to Company management under the Share Incentive and Retention Plan and which share issuances are in principal covered already by the existing conditional share capital as per art. 3<sup>ter</sup>).

B. Documentation

The 2015 annual report, consisting of the full business review, the corporate governance report, the compensation report, the internal control report, the consolidated financial statements, the statutory financial statements, and the respective reports of the statutory auditors, is available for inspection by the shareholders at Oriflame Holding AG's headquarters (Bleicheplatz 3, CH-8200 Schaffhausen) or on our website under <http://investors.oriflame.com> / General Meetings. Printed copies will be distributed to shareholders of record upon request.

C. Participation and Voting Rights

Shareholders registered with voting rights in the share register as of the close of business on 10 May 2016, will be authorized to participate and to vote at the Annual General Shareholders' Meeting. From 10 May 2016 up to and including 17 May 2016, no entries will be made in the share register which would create a right to vote at the Annual General Shareholders' Meeting. Shareholders who sell part or all of their shares before the Annual General Shareholders' Meeting are no longer entitled to vote to that extent. Such shareholders are required to exchange their admission card and voting material to reflect the change in their shareholding.

Shareholders who wish to participate or be represented at the Annual General Shareholders' Meeting may either download the registration form via our website <http://investors.oriflame.com> or request a physical copy by e-mail to [generalversammlung@sag.ch](mailto:generalversammlung@sag.ch). The registration form should be completed and returned by mail or e-mail to the following address: SIX SAG AG, Oriflame Holding AG, Postfach, 4609 Olten, Switzerland; e-mail: [generalversammlung@sag.ch](mailto:generalversammlung@sag.ch) as soon as possible and ideally no later than 10 May 2016. Upon receipt of their registration form shareholders will be provided with an admission card and voting material (including proxy form) for the Annual General Shareholders' Meeting.

Shareholders (i) whose shares are registered in accordance with the Articles of Association of the Company in a securities register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479) or otherwise in accordance with Swedish law and (ii) who hold such shares through a nominee must, in order to be entitled to attend and vote (in person, representation by proxy or by the Independent Proxy) at the Annual General Shareholders' Meeting, temporarily register the shares in their own name. For the shares to be re-registered in time, such shareholders should instruct the nominee that manages the shares well in advance of 10 May 2016 for temporary re-registration, so called voting registration. After such shares have been registered in the shareholder's own name, the shareholder shall follow the instructions as set out above in this section C.

D. Representation

Shareholders who do not intend to participate personally at the Annual General Shareholders' Meeting may participate and vote at the meeting through the representation of:

- the independent proxy, or
- a third person who need not be a shareholder;

Mr. Florian S. Jörg, attorney-at-law, c/o Bratschi Wiederkehr & Buob AG, Zurich, Switzerland, has been elected at the extraordinary general shareholders' meeting on 25 September 2015 as the independent proxy for the Annual General Shareholders' Meeting. Shareholders opting to be represented by the independent proxy shall submit the original of the completed and signed power of attorney (incorporated in the voting material) with voting instructions to SIX SAG AG, Oriflame Holding AG, Postfach, 4609 Olten, Switzerland, ideally by no later than 12 May 2016. Shareholders may also vote by issuing electronic proxy and voting instructions to the independent proxy by voting through the online proxy voting platform <https://www.ecomm-portal.com/shrd> (eComm) until 16 May 2016, 11.59 p.m. CET. Further details will be provided in the user guidance to eComm.

To the extent that a shareholder opts to be represented by the independent proxy but does not give the independent proxy specific voting instructions, the independent proxy will vote as proposed by the Board of Directors.

If shareholders opt to be represented by a third person, their completed and signed original power of attorney (incorporated in the voting material) as well as their admission card and voting material should be sent directly to the address of their designated representative.

E. Shares and votes

As of the date hereof, the share capital of the Company amounts to CHF 83,562,844.50, divided into 55,708,563 fully paid-in registered shares with a nominal value of CHF 1.50 each and thus a total of 55,708,563 votes. As of the same date, the Company directly or indirectly holds 100,000 treasury shares with suspended voting rights.

Oriflame Holding AG  
April 2016, for the Board of Directors  
Alexander af Jochnick  
Chairman