



Oriflame Holding AG Invitation to the 2018 Annual General Shareholders' Meeting

It is our pleasure to invite all shareholders of Oriflame Holding AG, Schaffhausen (the **Company**), to the annual general shareholders' meeting (the **AGM**) which will take place on 4 May 2018 at 11:00 CEST at the Company's headquarters at Bleicheplatz 3, 8200 Schaffhausen, Switzerland. The doors will open at 10:45 CEST.

A. Agenda and Proposals

1. Approval of the Annual Report, the Statutory Financial Statements and the Consolidated Financial Statements 2017

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 2017.

2. Consultative Vote on the Compensation Report 2017

The Board of Directors proposes to approve, on a consultative basis, the compensation report for the business year 2017 (pages 74 to 81 of the annual report).

Explanation: In line with Swiss best practice, the Board of Directors is seeking shareholders' approval on the compensation report 2017 on a consultative basis. The compensation report includes inter alia the general principles of remuneration that the Company adheres to.

3. Appropriation of Available Earnings 2017

	EUR	CHF
Accumulated loss brought forward	(30,200,918)	(31,927,248)
Loss for the period	(52,242,862)	(58,070,988)
Currency conversion reserves	-	13,257,628
To be carried forward	(82,443,780)	(76,740,608)

The Board of Directors proposes to the AGM to carry forward the accumulated loss.

4. Dividend Distribution out of Capital Contribution Reserve

The Board of Directors proposes that (i) CHF 215,000,000 of the Company's "capital contribution reserve" (the **Capital Contribution Reserve**) be released and allocated to "other reserve from capital contribution" (the **Dividend Reserve**), (ii) a dividend in the amount of EUR 2.60 per outstanding share of the Company be distributed out of, and limited to a maximum to the amount of, such Dividend Reserve and paid in four instalments as follows: EUR 1.40 to the shareholders of record on 9 May 2018, EUR 0.40 to the shareholders of record on 15 August 2018, EUR 0.40 to the shareholders of record on 15 November 2018 and EUR 0.40 to the shareholders of record on 15 February 2019, and (iii) any amount of the Dividend Reserve remaining after payment of the final instalment 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 instalment, which amount will exclude any shares held by the Company or any of its direct or indirect subsidiaries.

	Capital Contribution Reserve		Dividend Reserve*	
	EUR	CHF	EUR	CHF
Balance as of 31 December 2017	527,559,090	548,500,752	20,914,416	18,230,591
Proposed release of Capital Contribution Reserve to other reserve from capital contribution (the Dividend Reserve)	(183,729,277)	(215,000,000)	183,729,277	215,000,000
Balance to be carried forward	343,829,813	333,500,752	204,643,693	233,230,591

*The Dividend Reserve as per 31 December 2017 of EUR 20,914,416 (CHF 18,230,591) represent the remaining surplus following the booking of the dividend instalments relating to the 2017 annual general shareholders' meeting dividend resolution. This Dividend Reserve surplus has, in accordance with the 2017 annual general shareholders' meeting dividend resolution, been allocated back to the Capital Contribution Reserve following the last dividend instalment made as of 15 February 2018. As per the date of the AGM, the Dividend Reserve thus amounts to EUR 0 (CHF 0), and the Capital Contribution Reserve to EUR 548,473,506 (CHF 566,731,343).

Explanation:

- 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 2.60 per outstanding share of the Company, to be paid in four instalments as set out above. The payment is expected to occur within seven business days following each dividend record date.
- 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.
- The dividend payments will be made with respect to the outstanding shares of the Company on the record date for each applicable instalment, however excluding any shares held by the Company or any of its direct or indirect subsidiaries.
- The Board of Directors is proposing that CHF 215,000,000 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 2.60 dividend per share by way of a release and allocation to the account "other reserve from capital contribution" (Dividend Reserve). Such allocation is required to be in CHF. Based on the number of shares outstanding as of 31 March 2018, the amount of the proposed aggregate dividend will amount to a maximum of EUR 146,750,151.60. Accordingly, the Dividend Reserve of CHF 215,000,000 (EUR 183,729,277) exceeds the aggregate dividend amount by about 25%.
- The Board of Directors is proposing this excess amount in order to create a buffer to minimize any risk that any EUR-CHF exchange rate changes would reduce the EUR amount of the Dividend Reserve available for distribution.
- In the unlikely event that, notwithstanding the allocation of this excess amount to the Dividend Reserve, the Dividend Reserve would for any reason be exceeded upon the occurrence of the payment date for a dividend instalment, the Company would be required under the terms of the proposed shareholder resolution to adjust the relevant instalment 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 2.60 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 corporate committee (the **Executive Management**) for the business year 2017.

6. Elections

6.1. Re-Elections of Existing Board Members

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

- Mona Abbasi
- Magnus Brännström
- Anders Dahlvig
- Alexander af Jochnick
- Robert af Jochnick
- Anna Malmhake
- Christian Salamon
- Karen Tobiasen

Explanation: All re-elections are held individually. The curricula vitae of the current members of the Board of Directors are available in the 2017 annual report and also on the Company's website under <http://investors.oriflame.com/GeneralMeetings>. Mr Jonas af Jochnick, co-founder of Oriflame, has declined re-election after serving as a member of the Board of Directors since the Company's foundation.

6.2. Election of New Board Members

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

- Anna af Jochnick
- Gunilla Rudebjer

Explanation: All elections are held individually. The curricula vitae of the proposed new members of the Board of Directors are available on the Company's website under <http://investors.oriflame.com/GeneralMeetings>.

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. Re-Election of Members of the Remuneration Committee

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

Explanation: Both re-elections are held individually.

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 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 2018.

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 495,000 as compensation for the (non-executive) members of the Board of Directors for the period until the end of the 2019 annual general shareholders' meeting.

Explanation: The above proposal is based on board fees being slightly increased while committee fees remaining at the same level as in 2017 and apportioned as follows: EUR 80,000 to the chairman of the Board; EUR 40,000 to each non-executive Director of the Board; EUR 15,000 to the chairman of the audit committee, and EUR 10,000 to each committee member of the audit, nomination & governance and remuneration committees. 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 4,100,000 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 2018 until 30 June 2019.

Explanation: The above proposal includes a 2018 salary increase for the Executive Management members of 1.5 – 2%. The requested authorisation amount furthermore includes pensions and other fixed benefits, as well as a significant buffer to inter alia cover potential forex exchange movements, as some of the Executive management remuneration is set in currencies other than our reporting currency.

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 8,600,000 (such amount includes up to 202,400 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 2017 share incentive program offer, with an aggregate value of EUR 6,748,016) as variable compensation for the Executive Management (incl. any executive member of the Board of Directors) for the business year 2017.

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 2017 under the Company's share incentive program. The aggregate value of such grants (EUR 6,748,016) is calculated based on the fair value at grant date of EUR 33.34 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 operating profit development during the investment period. The actual value of the share entitlement at pay-out on the vesting dates (during years 2020-2022) may furthermore differ due to share price fluctuations.
- (c) For further details on the Company's Board and Executive Management Remuneration, please refer to the compensation report (pages 74 to 81 of the annual report), also available under <http://investors.oriflame.com / General Meetings>.

B. Documentation

The 2017 annual report, consisting of the full business review, the corporate governance report, the internal control report, the consolidated financial statements, the statutory financial statements, and the respective reports of the statutory auditors as well as the compensation report, are available for inspection by the shareholders at Oriflame Holding AG's headquarters (Bleicheplatz 3, 8200 Schaffhausen, Switzerland) as well as 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 24 April 2018, will be authorized to participate and to vote at the AGM. From 24 April 2018 up to and including 4 May 2018, no entries will be made in the share register which would create a right to vote at the AGM. Shareholders who sell part or all of their shares before the AGM 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 AGM may either download the registration form via our website <http://investors.oriflame.com / General Meetings> or request a physical copy by e-mail to oriflame@computershare.ch. The registration form should be completed and returned by mail or e-mail to the following address: Computershare Schweiz AG, General meetings - Oriflame Holding AG, P.O. Box, 4601 Olten, Switzerland; e-mail: oriflame@computershare.ch as soon as possible and ideally no later than 24 April 2018. Upon receipt of their registration form shareholders will be provided with an admission card and voting material (including proxy form) for the AGM.

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 AGM, 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 24 April 2018 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 AGM 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 AG, Zurich, Switzerland, has been elected at the annual general shareholders' meeting on 9 May 2017 as the independent proxy for the AGM.

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 Computershare Schweiz AG, General meetings - Oriflame Holding AG, P.O. Box, 4601 Olten, Switzerland, in advance of the AGM and ideally by no later than 30 April 2018. Shareholders may also vote by issuing electronic proxy and voting instructions to the independent proxy by voting through the online proxy voting platform <https://ip.computershare.ch/oriflame> (InvestorPortal) until 3 May 2018, 12:00 CEST. Further details will be provided in the user guidance to the InvestorPortal.

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 84,663,549, divided into 56,442,366 fully paid-in registered shares with a nominal value of CHF 1.50 each and thus a total of 56,442,366 votes. As of the same date, the Company directly or indirectly holds 11,640 treasury shares with suspended voting rights.

Oriflame Holding AG

In April 2018, for the Board of Directors
Alexander af Jochnick
Chairman