



To the shareholders of I.M. Skaugen SE

## NOTICE OF ORDINARY ANNUAL GENERAL MEETING 2011

Notice is hereby given to the shareholders of I.M. Skaugen SE that an Ordinary Annual General Meeting of the shareholders is to be convened on Friday 18 March 2011, at 16:00 hrs. The Ordinary Annual General Meeting will be held at the Company's offices at Karenslyst Allé 8B, Skøyen, in Oslo.

The Board of Directors proposes the following agenda:

- 1. Opening of the meeting**
- 2. Election of the chairperson for the meeting**
- 3. Election of a shareholder to sign the minutes jointly with the chairperson**
- 4. Approval of the meeting notice and the agenda of the meeting**
- 5. Update on the activities of the Group**
- 6. Approval of the annual report and accounts, including allocation of the loss for I.M. Skaugen SE**
- 7. Approval of the directors' remuneration and auditor fees**
- 8. Election of the Board of Directors**  
Present Board members are Erik Eik (Chairman), Bertel O. Steen jr. (Vice-Chairman), Jon-Aksel Torgersen, Karen Helene Ulltveit-Moe, Liselott Kilaas. Morits Skaugen and Monica Skaugen are deputies.

Proposals for candidates to the Board of Directors will be presented on the company's website prior to the general meeting.

- 9. Proposal to write down the share capital by amortization of treasury shares**  
I.M. Skaugen's holdings of treasury shares as of 31 December 2010 are 9,464 shares, equivalent to 0.03 % of the share capital. The total number of issued shares is 27,097,990 as of today, and after the write down has been executed the number of issued shares will be reduced to 27,088,526.

The book value of the treasury shares is NOK 323,226. The par value is NOK 141,960 or NOK 15 per share. The premium price paid, NOK 181,266, is thus booked against other equity.

The Board has decided to propose to the Ordinary Annual General Meeting to amortize or write down these shares in order to make available capacity to buy more shares at values that are deemed beneficial to the shareholders.

The Board of Directors proposes that the General Meeting passes the following resolutions:

- a) The share capital is written down with the amount of NOK 141,960, from NOK 406,469,850 to NOK 406,327,890 by redemption of 9,464 shares with par value NOK15, equivalent to the company's treasury shares.
- b) The Articles of Association's § 4 first paragraph is amended to the following:  
"The company's share capital is NOK 406,327,890 divided into 27,088,526 ordinary shares with par value NOK15 fully paid-in".

#### **10. Authorisation to acquire the Company's treasury shares**

On 18 March 2010, the company's Ordinary Annual General Meeting granted the Board the authority to acquire treasury shares. The Board of Directors believes that the acquisition of the Company's treasury shares may be right for the Company with a view, inter alia, to improve the shareholders' return. The Board of Directors proposes this authorisation to be renewed. This also assures the company greater financial flexibility. The acquisition of the Company's own shares can for example be relevant in a situation where the Company's equity and liquidity situation is good, while at the same time there is a limited supply of attractive investment opportunities.

The Board of Directors therefore proposes that the Annual General Meeting passes the following resolutions:

- a) *The Board of Directors of I.M. Skaugen SE is hereby granted authorisation to acquire on behalf of the Company up to 2,709,799 of the Company's treasury shares with a total nominal value of NOK 40,646,985 corresponding to 10 per cent of the Company's current share capital.*
- b) *The highest price that may be paid per share is NOK 200.00 and the lowest price is NOK 1.00.*
- c) *The acquisition and disposal of the Company's treasury shares may be carried out as deemed appropriate by the Board of Directors - not, however, by subscription for the Company's treasury shares.*
- d) *The authorisation shall remain in force until the next Ordinary Annual General Meeting*
- e) *This authorisation replaces the prior authorisation for acquiring treasury shares, granted in the Ordinary Annual General Meeting of 18 March 2010.*

The authorisation is to be registered in the Register of Business Enterprises.

#### **11. Authorisation to increase the share capital**

On 18 March 2010, the company's Ordinary Annual General Meeting granted the Board the authority to increase the share capital with up to NOK 203,234,925. The Board of Directors proposes that this authority is renewed. It is proposed that the Board of Directors shall decide when to execute the authorisation, and in such regard, also set the subscription price.

The Board of Directors therefore proposes that the Annual General Meeting passes the following resolutions:

- a) *Pursuant to the SE Act section 2, cf the Public Limited Companies Act section 10-14, the Board of Directors of I.M. Skaugen SE is authorised, on behalf of the Company, to increase the share capital with up to NOK 203.234.925.*
- b) *The shareholders' preferential right to new shares pursuant to the SE Act section 2, cf the Public Limited Companies Act section 10-4 may be deviated.*
- c) *The Authorisation also comprises increase of share capital with other assets than monetary assets.*
- d) *The Authorisation comprises increase of share capital by merger pursuant to the SE Act section 2, cf the Public Limited Companies Act section 13-5.*
- e) *The Authorisation remains in force until the next Ordinary Annual General Meeting.*
- f) *This authorisation replaces the prior authorisation for increasing the share capital granted in the Ordinary Annual General Meeting of 18 March 2010 from the date and time it is registered.*

The authorisation is to be registered in the Register of Business Enterprises.

#### **12. Proposal for the Annual General Meeting to grant the Board of Directors authorisation to issue convertible bonds with up to NOK 400,000,000**

On 18 March 2010, the company's Ordinary Annual General Meeting granted the Board the authority to issue convertible bonds of up to NOK 400,000,000. The Board of Directors proposes that this authority is renewed. The authorisation may for example be used to issue convertible bonds on advantageous terms and conditions in a position under which the Company needs financing promptly. The Board of Directors shall make the further assessment of the time for possible issuance of such convertible bonds, and also set the time limit to call for conversion.

The Board of Directors proposes therefore that the Annual General Meeting passes the following resolutions:

- a) *The Board of Directors of I.M. Skaugen SE is granted the authorisation, on behalf of the Company, to issue convertible bonds with amounts equivalent of up to NOK 400,000,000. The convertible loans may be raised in USD, EUR or NOK.*
- b) *The share capital shall by conversion be subject to an increase of up to NOK 203,234,925. The subscription price to be decided by the Board of Directors.*

- c) *The Board of Directors may deviate from the shareholders' preferential right pursuant to the SE Act section 2, of the Public Limited Companies Act section 11-4, cf sections 10-4 and 10-5, to subscribe for shares in the convertible loans.*
- d) *The Authorisation remains in force until next Ordinary Annual General Meeting.*
- e) *This authorisation replaces the prior authorisation to issue convertible bonds granted in the Ordinary Annual General Meeting of 18 March 2010 from the date and time it is registered.*

The authorisation is to be registered in the Register of Business Enterprises.

Specification of points 11 and 12:

It is emphasized that the board's proposal implies that to the extent the share capital is increased in accordance with the authority proposed to be given to the board by the general assembly, the board shall limit its right to convert loan to share capital by issuing convertible bonds in the corresponding amount, and vice versa. Thus it will be in the board's discretion to decide if the increase in the share capital shall be done through authorities to the Board of Directors or issue of convertible bonds within the total limit of NOK 203.234.925.

### **13. Dealing with the Board's statement on how the salary and other benefits to leading employees are determined**

In accordance with the Public Limited Companies Act § 6-16 a, the Board has produced a statement on how the salary and other benefits to leading employees are determined. The content of this statement is included in Note 4 to the Annual Accounts for 2010 for the parent company. An advisory vote on the statement shall be held at the Annual General Meeting.

The Board of Directors proposes therefore that the Annual General Meeting passes the following resolutions:

- (a) *The general meeting unanimously approves the content of the statement.*

\* \* \*

Pursuant to Section 6 of the Articles of Association, shareholders who wish to participate at the Ordinary General Meeting themselves or by proxy must use the enclosed form (enclosure 1). The reply coupon must be registered with Nordea Bank Norge ASA no later than Tuesday 15 March 2011, at 17:00 hrs. Within this deadline, registration can also be done on [www.skaugen.com](http://www.skaugen.com).

Shareholders failing to register, or who register after this dead-line, may be denied access to the general meeting and will not be allowed to vote for their shares.

Shareholders who do not have the opportunity to meet in person may execute a proxy to any other person attending the meeting. A form for executing such proxy is attached. The proxy may be executed to the Chairman of the Board of Directors, Mr. Erik Eik.

The reply coupon must be registered with Nordea Bank Norge ASA, Securities Services, P.O. Box 1166 - Sentrum, 0107 Oslo, Norway, telefax (+47) 22 48 63 49, no later than Tuesday 15 March 2010, at 17:00 hrs., or to be delivered in the General Meeting Within this deadline, registration can also be done on [www.skaugen.com](http://www.skaugen.com).

I.M. Skaugen SE is a Norwegian SE company subject to the laws of Norway, including the SE Act and the Securities Trading Act. The Company has as of the date of this notice issued a total of 27,097,990 shares, each with one vote. The shares rank *pari passu*. The Company has as of the date of this notice of meeting 9,464 treasury shares. These shares carry no voting rights, so the number of shares with vote is 27,088,526.

A shareholder has the right to present proposals for resolutions on matters already on the agenda, and to request that board members and the CEO provides available information regarding matters which may influence the evaluation of (i) approval of the annual accounts and the board's report, (ii) matters which have been presented the shareholders for a resolution, and (iii) the company's financial position, including activities in other companies the company is a share holder of, and other matters the General Meeting shall consider, unless the information requested can not be given without causing unreasonable damage to the company.

This notice and other relevant documents for matters to be dealt with at the general meeting, including documents referred to in the notice, and including proposed resolutions on the proposed agenda, as well as the company's Articles of Associations, are also available on the company's website: [www.skaugen.com](http://www.skaugen.com). Shareholders may contact the company via post, telefax, email, or phone in order to be sent the relevant documents. Address: I.M. Skaugen SE, c/o Nordea Bank Norge ASA, verdipapirservice, P.O. Box 1166 – Centre, 0107 Oslo, telefax + 47 22 48 63 49.

Oslo, 16<sup>th</sup> February 2011  
**The Board of Directors**  
**I.M. Skaugen SE**

The following enclosures are available on the company's website as stated above:

- The Annual Report including auditors' report for 2010
- Information about the salary and other benefits to leading employees is included in note 4 to the annual accounts fir the parent company
- The proposal for the new board members
- Attendency slip - proxy



**I.M. SKAUGEN**

**Shareholder's full name and address**

**NOTICE OF ORDINARY  
GENERAL MEETING  
18 March 2011**

**Ordinary General Meeting in I.M. Skaugen SE to be held on Friday 18 March 2011 at 16:00 hrs. at the company's offices at Karenslyst Allè 8B, Skøyen, in Oslo.**

**ATTENDANCE SLIP – I.M. Skaugen SE – Ordinary General Meeting**

The Attendance slip must be returned to Nordea Bank Norge ASA no later than 17:00 hrs. on Tuesday 15 March 2011. Within this deadline, registration can also be done on [www.skaugen.com](http://www.skaugen.com). Address: Nordea Bank Norge ASA, Securities Services, P.O.Box 1166 Sentrum, 0107 Oslo, Norway. Telefax (+47) 22 48 63 49.

The undersigned will attend I.M. Skaugen SE's Ordinary General Meeting on Friday 18 March 2011 and

**Shareholder's personal number/reference number/full name and address**

Vote for my/our shares

Number of shares as per 18 March 2011: \_\_\_\_\_

Vote for shares in accordance with proxy(ies) enclosed \_\_\_\_\_

\_\_\_\_\_ Date \_\_\_\_\_ Shareholder's signature

When signed by a power of attorney, this shall be documented either by a company certificate or a power of attorney

**PROXY – I.M. Skaugen SE – Ordinary General Meeting**

Shareholders who are unable to attend the Ordinary General Meeting, may execute a proxy in the name of any other person attending the meeting.

The proxy must be returned to Nordea Bank Norge ASA no later than 17:00 hrs. on Tuesday 15 March 2011. Within this deadline, registration can also be done on [www.skaugen.com](http://www.skaugen.com). Address: Nordea Bank Norge ASA, Securities Services, P.O. Box 1166 Sentrum, 0107 Oslo, Norway. Telefax (+47) 22 48 63 49.

The undersigned shareholder in I.M. Skaugen SE hereby authorises:

**Shareholder's personal number/reference number/full name and address**

Chairman of the Board

President and Chief Executive Officer

Other person (name) .....

to attend and vote on my/our behalf at I.M. Skaugen SE's Ordinary General Meeting on Friday 18 March 2011

Number of shares/votes as per 18 March 2011: \_\_\_\_\_

\_\_\_\_\_ Date \_\_\_\_\_ Shareholder's signature

When signed by a power of attorney, this shall be documented either by a company certificate or a power of attorney



**Ordinary annual General Meeting 18<sup>th</sup> March 2011**

**8. Election of the Board of Directors**

Current Board members are Erik Eik (Chairman), Bertel O. Steen jr. (Vice-Chairman), Jon-Aksel Torgersen, Karen Helene Ulltveit-Moe and Liselott Kilaas. Morits Skaugen and Monica Skaugen are deputies.

Karen Helene Ulltveit-Moe and Monica Skaugen are up for election.

According to an amendment to the Norwegian Public Limited Liability Act, the managing director cannot be a board member or a deputy. Morits Skaugen will therefore resign as a deputy to the board. It has been proposed that Erik Falkenberg replaces Morits Skaugen as deputy, and is elected for a period of two years.

Karen Helene Ulltveit-Moe has informed that she does not want to be re-elected. It has been proposed that Monica Skaugen is elected a board member for a period of two years.