



To the shareholders of I.M. Skaugen SE

NOTICE OF ORDINARY ANNUAL GENERAL MEETING 2010

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 Thursday 18 March 2010, 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 profit 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, and Morits Skaugen (deputy).

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 2009 are 80,600 shares, equivalent to 0.30 % of the share capital. The total number of issued shares is 27,178,590 as of today, and after the write down has been executed the number of issued shares will be reduced to 27,097,990.

The book value of the treasury shares is NOK 1,997,396. The par value is NOK 1,209,000 or NOK 15 per share. The consideration for the acquired treasury shares owned per year-end, less the par value of these shares, has been recognized against other equity. The write down will reduce the share capital by NOK 1,209,000. The premium price paid, NOK 788,396, is thus booked against other equity.

The Board has decided to propose to the Extraordinary 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 Extraordinary General Meeting passes the following resolutions:

- a) The share capital is written down with the amount of NOK 1,209,000, from NOK 407,678,850 to NOK 406,469,850 by redemption of 80,600 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 406,469,850 divided into 27,097,990 ordinary shares with par value NOK15 fully paid-in".

10. Authorisation to acquire the Company's treasury shares

On 9 March 2009, 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 2,717,859 of the Company's treasury shares with a total nominal value of NOK 40,767,885 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 effect for 18 months from the decision of the Ordinary Annual General Meeting*
- e) *This authorisation replaces the prior authorisation for acquiring treasury shares, granted in the Ordinary Annual General Meeting of 9 March 2009.*

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

11. Authorisation to increase the share capital

On 9 March 2009, the company's Ordinary Annual General Meeting granted the Board the authority to increase the share capital with up to NOK 203,839,420. 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 203.839.420.*
- 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 for two years from the decision of the Ordinary Annual General Meeting.*
- f) *This authorisation replaces the prior authorisation for increasing the share capital granted in the Ordinary Annual General Meeting of 9 March 2009 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 9 March 2009, 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 203,893,420.*

- 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 for 2 years from the decision of the Ordinary Annual general Meeting.*
- e) *This authorisation replaces the prior authorisation to issue convertible bonds granted in the Ordinary Annual General Meeting of 9 March 2009 from the date and time it is registered.*

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

13. **Amendments of the company's by-laws**

The Board suggests that the company may have fewer members of the board than what is today described in the by-laws. Currently, there should be minimum five and maximum eight members, but it is the Board's view that it is sufficient that the number is between three and seven. Furthermore, it should be emphasized that the service time for the Board members shall be two years. Finally, it is proposed that the signatory right which is currently given to the chairman alone shall be deleted. As an alternative to two directors jointly signing on behalf of the company, it is proposed that the signatory is attributed to the managing director and a board member together. This will, in the Board's view, give the company the necessary flexibility.

In accordance with the latest changes in the Public Limited Companies Act, the company is obliged to have an Audit Committee. The Public Limited Companies Act has opened for the possibility that the by-laws regulate that the Board as a whole serves as the Audit Committee. As the Board finds this suitable, the Board proposes that §5 in the company's by-laws are changed.

In accordance with the above, the Board proposes that the Annual General Meeting changes the by-laws' § 5 first paragraph and also adds a new subparagraph as follows:

“The company's management is organized according to a one tier system, and the company shall have a Board of Directors. The Board consists of three to seven persons, plus one or more deputies as decided by the General Meeting. The Board members shall serve for two years. The Board elects its own Chairman and possibly a vice-chairman. The managing director and a board member together, or two Board members together, may sign on behalf of the company. The Board may grant power of procuration. The company may have one or more managing directors. If the company has several managing directors, they shall not function as a collective organ.”

The Company shall have an Audit Committee which shall consist of the company's Board of Directors. A leading employee who is also a member of the board shall not be considered a member of the Audit Committee.

According to the last amendment to the Public Limited Companies Act it is sufficient that I.M. Skaugen SE physically sends out the notice of the Annual General Meeting, while the various attachments and other documents are available on the company's website. This requires an amendment to the by-laws stating that physical distribution of attachments etc. is not required. The Board proposes that the company takes advantage

of the possibility the law allows for, as it is costly and resource-demanding to send out the Annual Report to each shareholder. Furthermore, the deadline for calling the General Meeting is by law changed from 14 days to 21 days. Therefore it is also necessary to amend parts of the second paragraph.

In accordance with the above outline the Board proposes that the Annual General Meeting changes the by-laws' § 6, second paragraph, as well as adding a new paragraph to read as follows.

"An Extraordinary General Meeting is to be held when the Board deems it necessary, and when required in writing by the auditor or by shareholders representing at least 1 / 20 of the share capital, for treatment of specified matters. The General Meeting is called by the Board in accordance with all applicable rules. Shareholders who wish to participate in the General Meeting must register with the company stating how many shares they represent within the time limit specified in the notice.

When the documents concerning matters to be dealt with at the general meeting are made available to shareholders at the company's website, the Act's requirement that the documents should be sent to shareholders need not be followed. This also applies to documents which under the Act shall be included in or attached to the notice of the general meeting. A shareholder may still request to receive documents concerning matters to be dealt with at the meeting."

14. 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 2009 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.

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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 Monday 15 March 2010, at 17:00 hrs. Within this deadline, registration can also be done on 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 Monday 15 March 2010, at 17:00 hrs. Within this deadline, registration can also be done on 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 27,178,590 shares, each with one vote. The shares rank *pari passu*. The Company has as of the date of this notice of meeting 80,600 treasury shares. These shares carry no voting rights, so the number of shares with vote is 27,097,990.

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 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.

Oslo, 15 February 2010
The Board of Directors
I.M. Skaugen SE