

*Please note that this English translation is for information purposes only and that the Norwegian original shall prevail in case of any inconsistencies.*

To the shareholders in Storm Real Estate ASA

## **CALLING NOTICE FOR ANNUAL GENERAL MEETING**

The annual general meeting in Storm Real Estate ASA (“the Company”) will be held at

**Dronning Mauds gate 3, 10th floor, Oslo**

**Tuesday 15 May 2018 at 09.00 am**

The chairman of the board of directors or a person elected by the board of directors will open the general meeting and registration of attending shareholders will take place.

The Board of Directors propose the following agenda:

- 1. Chairperson of the meeting**
- 2. Approval of the calling notice and meeting agenda**
- 3. Election of person to countersign the minutes from the meeting together with the chairman**
- 4. Approval of the financial statements and annual report for 2017**
- 5. The company’s statement of Corporate Governance, as published in the Annual Report**
- 6. Approval of the auditor’s fee for 2017**
- 7. Approval of remuneration to the board members**
- 8. Election of board members**
- 9. Declaration of senior management remuneration**
- 10. A statement regarding the company's financial position**
- 11. Reduction of share capital with reduction of par value**
- 12. Proposal to apply for de-listing from Oslo Stock Exchange**

## **1 CHAIRPERSON OF THE MEETING**

The General Meeting will be chaired by the Chairman of the Board according to the company's Articles of Associations §10.

## **2 APPROVAL OF THE CALLING NOTICE AND MEETING AGENDA**

The board of directors proposes that the general meeting makes the following resolution:

*The calling notice and the agenda are approved.*

## **3 ELECTION OF PERSON TO COUNTERSIGN THE MINUTES FROM THE MEETING TOGETHER WITH THE CHAIRMAN**

One person attending the general meeting will be proposed to countersign the minutes from the meeting together with the chairman.

## **4 APPROVAL OF THE FINANCIAL STATEMENTS AND ANNUAL REPORT FOR 2017**

It is proposed that the Board of directors' annual report and the financial statements of the Company for 2017 be approved.

The financial statements and the annual report are available at the Company's website: [www.stormrealestate.no](http://www.stormrealestate.no) and also published on Oslo Stock Exchange messaging service [newsweb.no](http://newsweb.no).

The board of directors proposes that the general meeting makes the following resolution:

*The board of directors' annual report and the financial statements of the Company for 2017 are approved by the general meeting.*

## **5 THE COMPANY'S STATEMENT OF CORPORATE GOVERNANCE, AS PUBLISHED IN THE ANNUAL REPORT**

The statement of Corporate Governance is required to be a separate item on the agenda of the Annual General Meeting. The statement is included in the annual report, which is available on the Company's website [www.stormrealestate.no](http://www.stormrealestate.no).

The statement of corporate governance is only subject to discussion and not a separate approval by the shareholders.

## **6 APPROVAL OF THE AUDITOR'S FEE FOR 2017**

It is proposed that the auditor's fee for 2017 totalling NOK 387.500 (excl VAT) is approved. The scope of the audit has increased due to the company's liquidity situation, and assessments related to going concern. The amount represents the fee for the annual audit for 2017 for the parent company Storm Real Estate ASA, and does not include fees related to the audits of the Company's subsidiaries for 2017. The Notes to the Company's financial statements for 2017 provide disclosure of the fees to the Company's auditor for professional services, including the audit of the Company's subsidiaries.

The board of directors proposes that the general meeting makes the following resolution:

*The general meeting approves the auditor's fee for 2017.*

## **7 APPROVAL OF REMUNERATION OF THE BOARD MEMBERS**

The following remuneration for the members of the board of directors for the period from and including 11 May 2017 to and including 15 May 2018 are proposed:

- Chairman of the Board NOK 250,000
- Board Members NOK 125,000.
- Large shareholders Morten E. Astrup and Kim Mikkelsen do not receive fees for their duties.

For information, no fees are recommended for board committees.

The board of directors` proposes that the general meeting makes the following resolution:

*The general meeting approves the remuneration to each member of the board of directors for the period from and including 11 May 2017 to and including 15 May 2018.*

## **8 ELECTION OF BOARD MEMBERS**

Board members are elected for a period of two years at a time. The current board was elected on the Annual General Meeting on 26 May 2016 and are therefore up for election, with the exception of Anna Musiej Aanensen who was elected in 2017 for two years.

It is proposed that the general meeting makes the following resolution as one single voting subject.:

*“Stein Aukner is re-elected as chairman.  
Morten E. Astrup is re-elected as vice-chairman.  
Nini H Nergaard is re-elected as board member.  
Kim Mikkelsen is re-elected as board member.”*

## **9 DECLARATION OF SENIOR MANAGEMENT REMUNERATION**

The Boars is preparing a declaration in accordance with the Norwegian Public Limited Liability Companies Act section 6-16a. The declaration is available at the Company's website: [www.stormrealestate.no](http://www.stormrealestate.no) and also published on Oslo Stock Exchange messaging service [newsweb.no](http://newsweb.no).

The board of directors` proposes that the general meeting makes the following resolution:

*The Board of Directors' declaration in accordance with the Public Limited Liability Companies Act section 6-16a is approved.*

## **10 A STATEMENT REGARDING THE COMPANY'S FINANCIAL POSITION**

The Board will give an account of the Company's financial position about the financing and liquidity situation in the company, as well as a description of which measures will be implemented or expected to be implemented in the next 12 months.

This presentation will be published on the Oslo Stock Exchange's news service [newsweb.no](http://newsweb.no) when it is available and will be presented at the company's general meeting.

## **11 REDUCTION OF SHARE CAPITAL WITH REDUCTION OF PAR VALUE**

The Board of Directors considers it important for the Company's further development that, if necessary, it will be possible to raise new capital, if the liquidity situation or other circumstances indicate that this is appropriate for the company.

The Board of Directors considers that a reduction of the par value of the share may be appropriate in order for future shares issues, to have sufficient flexibility in determining the subscription price.

On this basis, the Board recommends that the par value of the share be reduced from NOK 0.40 to NOK 0.02 with transfer to other equity cf. the Public Limited Liability Companies Act section 12-1, first paragraph No. 3. Circumstances that may be relevant to the share capital reduction, is that the Company in the event of a reduction in the par value of the share will have a lower restricted equity. Regarding events since the last balance sheet date, reference is made to the annual accounts and the Board of Directors report is to be resolved under item 4 on the agenda. The capital reduction will come into effect after the expiration of a 6-week creditor notice period.

The board of directors` proposes that the general meeting makes the following resolution:

- 1. The share capital is reduced by NOK 33,571,336.74 from NOK 35,338,249.20 to NOK 1,766,912.46 by reducing the par value with NOK 0.38 from NOK 0.40 to NOK 0.02.*
- 2. The reduction amount is transferred to other equity, cf. the Public Limited Liability Companies Act section 12-1, first paragraph, no. 3.*
- 3. The description of share capital and the par value of the shares in section 4 of the Articles of Association is amended accordingly.*

## **12 PROPOSAL TO APPLY FOR DE-LISTING FROM OSLO STOCK EXCHANGE**

The Board has proposed that the Company should apply for its shares to be de-listed from Oslo Stock Exchange. The Board of Directors' proposal is subject to that the Company's shares are simultaneously approved for admission to trading on Merkur Market ("Merkur"). The following will explain the background to the Board's proposal, including the significance of such deletion and transition to Merkur Market for the Company's shareholders.

### **12.1 The reasons for the Board's proposal for de-listing from Oslo Stock Exchange and admission to Merkur Market.**

The group is in a challenging financial situation. The Group has one income-generating asset, an office building in Moscow, which at the time of this notice is approximately 56

% let. The Group is currently not profitable and is using from cash reserves. Future cash flow and ability to meet its financial obligations is therefore dependent on the re-letting of its property. The group therefore needs to reduce its costs. The company has been listed on Oslo Stock Exchange since 2010. The listing entails many regulatory and administrative requirements which are very costly for the Company. This applies to both direct costs to Oslo Stock Exchange (which currently amounts to a minimum of NOK 187,900 p.a.), but also indirect costs related to accounting reporting, audit and legal support for compliance with regulatory and administrative requirements. The company estimates that total additional costs to be listed on Oslo Stock Exchange are significant and minimum NOK 500,000 annually.

At the same time, there is very little turnover in the Company's shares. Since the beginning of 2018, 3,753,083 shares have been traded of a total of 88,345,623 issued shares in the Company. This means that during the period it has been sold only approx. 4.2% of the Company's shares that have been traded, and the average daily turnover since the New Year has been NOK 50,357.

Against this background and considering the challenging financial situation the Company is in, it is the Board's assessment that the Company is not suitable for continued listing on the Oslo Stock Exchange and that the Company instead is better suited for admission to trading in a smaller marketplace. The Board is of the opinion that a de-listing from Oslo Stock Exchange combined with a simultaneous listing on Merkur will be in the best joint interest of the Company and shareholders.

## **12.2 Consequences for shareholders following de-listing from Oslo Stock Exchange and admission to Merkur Market.**

Merkur, unlike Oslo Stock Exchange, is not a regulated market, but a multilateral trading facility ("MTF"). Merkur is owned and operated by Oslo Børs ASA, which owns Oslo Stock Exchange and Oslo Axess. Through admission to Merkur, the Company will remain visible in the market while protecting the interests of the Company's shareholders, but with ongoing obligations, costs and administrative liabilities.

If de-listing from the stock exchange is contingent on admission to Merkur, the Company will not be withdrawn from the trading system. The company's shares will therefore continue to be subject to electronic order book trading. This means that the Company's shareholders still have the opportunity to sell their shares in the open market in the same effective way as today. Furthermore, the valuation of the company will continue to be market-based. Therefore, no reduction in liquidity in the trading of the stock is expected as a result of admission to Merkur. The shares in the Company will still be registered in VPS and with the same ISIN as today. Newsweb will continue to be a message portal for news publishing and statutory reports.

The practical consequences of the deletion and acquisition of Merkur will be perceived to be small by the shareholders, so that the Company's ticker will be changed to STORM-ME in order to make it clear that the Company is engaged in trading on Merkur.

Both public limited liability companies and private limited liability companies can be traded on Merkur. In the event of further cost savings, it may eventually be considered to change the Company into a private limited liability company. If, at a later date, the Board

finds that this is in the company's interest, such a proposal will be submitted to a separate resolution for the general meeting. The company will still continue to be eligible for admission to trading on Merkur.

Admission to Merkur may have some positive tax consequences for Norwegian shareholders. The tax base for investors' wealth tax will on Merkur be the Company's book values, and not the market value as for securities traded on Oslo Stock Exchange and Oslo Axess. This could be economically beneficial to the Company's shareholders, and help make the company more attractive in the market.

In terms of protection for shareholders, a number of the same rules apply to listed companies for use also for companies listed on Merkur. The rules in Chapter 3 of the Securities Trading Act (vphl.) regarding misuse of insider information, confidentiality, no advice and market manipulation (vphl. §§ 3-3, 3-4, 3-7 and 3-8) apply correspondingly to financial instruments traded on the Norwegian multilateral trading facility (cf. vphl. 3-1). Trading in the Company's shares will thus be subject to market surveillance in the same manner as on Oslo Stock Exchange. Furthermore, the obligation to provide information pursuant to section 5-2 of the Securities Trading Act, which concerns the obligation to publish inside information immediately, is included in the current obligations that apply to companies engaged in trade on Merkur. This means that, after admission to trading at Merkur, the Company will also be obliged to disclose inside information to the market. Shareholders are then secured approximately the same level of information that is currently secured through the Securities Trading Act.

The rules currently applicable to the Company regarding notification of primary insiders and flagging upon acquisition or disposal of major shareholdings do not apply for companies admitted to trading on Merkur. Rules on notification of primary insiders and reporting obligations for trading in own shares have also been included for companies in Merkur in the continuing obligations (item 6 of continuing obligations). However, flagging rules will not apply correspondingly, which means that shareholders will no longer be guaranteed to gain information about acquisitions or disposals of major shareholdings in the Company. Access to the shareholder register will, however, remain unchanged.

The equal treatment obligations in vphl. § 5-14 will not have direct effect on the Company upon admission to trading on Merkur, but this obligation is included in the continuing obligations of Merkur Market and, in practice, will apply in a manner similar to today. However, the mandatory bid obligation will not apply to admission to trading on Merkur. This means that a shareholder who obtains a negative control in the Company will not be required to promote an offer for the purchase of the remaining shares in the Company. Shareholders' rights will also not be protected by the mandatory bid obligation rules if a voluntary bid is made for the purchase of the Company's shares.

Overall, it is the Board's view that it will be in the interests of the Company and shareholders to apply for de-listing from Oslo Stock Exchange, subject to simultaneous approval for admission to trading at Merkur. Resolution on application for de-listing requires the consent of 2/3 of the votes cast as well as the share capital represented at the general meeting. If the proposal achieves a sufficient majority in the general meeting, the Board will submit an application for de-listing from Oslo Stock Exchange and at the same time submit an application for admission to trading at Merkur. Oslo Stock Exchange then decides whether de-listing can take place, taking into account, among

other things, how the interests of shareholders will be protected by a de-listing. If the application for de-listing is approved, it is expected that the Company will be admitted to trading on Merkur at the same time as the effective date of the de-listing. However, no guarantees may be given for de-listing from Oslo Stock Exchange or that the Company is approved for admission to trading on Merkur.

On this basis, the Board proposes that the General Meeting adopt the following resolution:

*It is resolved to apply for the Company's shares to be removed from listing on Oslo Stock Exchange pursuant to section 25 of the Stock Exchange Act, cf. Continuing Obligations, Item 15.1 (4). The resolution of the general meeting is conditional upon the Company being approved for admission to trading on Merkur Market at the same time with as the stock exchange's decision to de-list.*

It is proposed that the Chairman of the Board, Stein Aukner, or the person he authorises, be authorised to (i) prepare an application for de-listing and to submit it to Oslo Stock Exchange and (ii) prepare documentation and take any action necessary in connection with the admission of the Company's shares for trading on Merkur.



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The Company is a Norwegian public limited liability company governed by Norwegian law, thereunder the Public Limited Liability Companies Act and the Securities Trading Act. As of the date of this calling notice, the Company has issued 88,345,623 shares. In the Company's General Meeting each share has one vote. The shares have equal rights in all respects. As at the date of this calling notice, the Company owns no treasury shares. Treasury shares do not carry any voting rights.

Shareholders are entitled to attend the General Meeting in person or by proxy, and are further entitled to speak at the General Meeting. Shareholders may also be accompanied by an advisor who may speak at the General Meeting.

A shareholder has the right to put matters on the agenda of the general meeting. The matter shall be reported in writing to the Board within seven days prior to the deadline for the notice to the general meeting, along with a proposal to a draft resolution or a justification for the matter having been put on the agenda. In the event that the notice has already taken place, new notice shall be sent if the deadline has not already expired. A shareholder has in addition a right to put forward a proposal for resolution.

A shareholder may require directors and the general manager to furnish in the general meeting all available information about matters that may affect the consideration of the adoption of the annual financial statement and the annual report, any matters that have been submitted to the shareholders for decision and the Company's financial position.

Shareholders, who wish to take part in the General Meeting, must complete and return the attached attendance slip by no later than 11 May 2018. An owner with shares registered through a custodian approved pursuant to Section 4-10 of the Norwegian Public Limited Companies Act has voting rights equivalent to the number of shares which are covered by the custodian arrangement provided that the owner of the shares by no later than 11 May 2018 provides the Company with his name and address together with a confirmation from the custodian to the effect that he is the beneficial owner of the shares held in custody, and provided further that the Board does not disapprove such beneficial ownership after receipt of such notification.

A power of attorney for the shareholders who wish to (i) grant the chairman of the Board or another person a proxy to represent their shares at the General Meeting, or (ii) grant a power of attorney with voting instructions, has been made available together with the attached attendance form.

Enclosed please find the registration sheet and proxy form.

Oslo, 24 April 2018

On behalf of the Board of Directors of Storm Real Estate ASA



Stein Aukner  
(signed)

Please note that this English translation of the calling notice is for information purposes only and that the Norwegian calling notice shall prevail in case of any inconsistencies.

## REGISTRATION

The undersigned holder of \_\_\_\_\_ shares in Storm Real Estate ASA will attend the Company's Annual General Meeting Tuesday 15 May 2018 at 09:00 am

Date and signature: \_\_\_\_\_

*Signature and name in capital letters*

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## PROXY

The undersigned holder of \_\_\_\_\_ shares in Storm Real Estate ASA hereby give \_\_\_\_\_ authority to attend the Company's Annual General Meeting Tuesday 15 May 2018 at 09:00 am and vote on my behalf.

4. Approval of the financial statements and annual report for 2017

*Vote for* ☐

*Vote against* ☐

*Abstain from voting* ☐

5. A statement. Subject not up for vote.

6. Approval of the auditor's fee for 2017

*Vote for* ☐

*Vote against* ☐

*Abstain from voting* ☐

7. Approval of remuneration to the board members

*Vote for* ☐

*Vote against* ☐

*Abstain from voting* ☐

8. Election of board members

*Vote for* ☐

*Vote against* ☐

*Abstain from voting* ☐

9. Declaration of senior management remuneration

*Vote for* ☐

*Vote against* ☐

*Abstain from voting* ☐

10. A statement. Subject not up for vote.

11. Reduction of share capital with reduction of par value

*Vote for* ☐

*Vote against* ☐

*Abstain from voting* ☐

12. Proposal to apply for de-listing from Oslo Stock Exchange

*Vote for* ☐

*Vote against* ☐

*Abstain from voting* ☐

Date and signature: \_\_\_\_\_

*Signature and name in capital letters*

To be sent to: info@stormcapital.co.uk – **no later than 11 May 2018**