

**Notice of**

**Ordinary General Meeting 2007 – Hafslund ASA**

**Thursday 3 May 2007 at 5.00 pm**

**Hotel Continental, Stortingsgaten 24/26, Oslo, Norway**

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**AGENDA:**

**1. Opening of the meeting and election of Chairman**

The General Meeting is opened by the Chairman.

Pursuant to Article 7 of the Articles of Association, the Chairman shall be the Chairman of the Board or anyone elected by the General Meeting.

**2. Registration of shareholders attending the meeting**

**3. Approval of notice and agenda**

**4. Election of two shareholders to sign the minutes together with the Chairman**

**5. Review of the annual report and accounts for 2006**

**6. Adoption of the annual report and accounts for 2006:**

- a) Approval of the annual report and accounts of Hafslund ASA and the Hafslund Group.
- b) Approval of the allocation of the profits and losses in Hafslund ASA, including distribution of dividend for Hafslund ASA.

The first day on which the share is traded without a right to dividend for 2006 (the "Ex Date") is 4 May 2007. The day on which the shareholders with a right to dividend is recorded (the "Record Date") is the day before the Ex date + 3 settlement days. The planned date of distribution of dividend is 21 May 2007.

**7. Extraordinary dividend**

On 22 March 2007, Hafslund sold 35 million shares in Renewable Energy Corporation ASA ("REC") at a price per share of NOK 138.-, NOK 4,830,000,000.- in total. Based on this, the Board has decided to propose to the General Meeting to distribute an extraordinary dividend of NOK 15.- per share, which is added to the ordinary dividend of NOK 2.75 which is suggested in the annual report and accounts for 2006. Those entitled to such dividend will be the same shareholders who are entitled to ordinary dividend.

The Board proposes that the General Meeting pass the following resolution:

*The company distributes an extraordinary dividend of NOK 15.- per share, which is added to the ordinary dividend which has been decided regarding the annual report and accounts for 2006.*

**8. Reduction of the company's share capital in connection with the cancellation of the company's own A shares – amendment of Article 5 of the Articles of Association**

In an extraordinary general meeting held 30 August 2006, the Board was granted a power of attorney to make an offer to those of the company's shareholders who owned a number of A or B shares which constituted less than a round lot regarding the purchase of their shareholding. In connection with the subsequent offer, the company has, according to this power of attorney, acquired 37,184 A shares. Owning the company's own A shares is not deemed necessary or appropriate by the Board of Directors. Thus, the Board suggests that the company's share capital be reduced by cancellation of the company's own A shares. The capital reduction takes effect after the expiry of the period allowed for creditors' objections of

2 months after announcement. The Board proposes that the General Meeting pass the following resolution:

*The company's share capital is reduced by NOK 37,184 from NOK 195,223,448 to NOK 195,186,264. The capital reduction is carried out by cancellation of 37,184 A shares owned by the company.*

*Subsequently, Article 5 of the company's Articles of Association shall have the following wording:*

*"The company's share capital is NOK 195,186,264 divided into 115,427,760 A shares and 79,758,504 B shares, in total 195,186,264 shares, each with a nominal value of NOK 1.-.*

*B shares do not give voting rights. Furthermore, all shares provide equal rights in the company.*

*In connection with a pro rata increase in capital within each class of shares, the shareholders shall only have pre-emption rights to shares within the class of shares to which their current shares belong. "*

#### **9. Power of attorney to the Board of Directors to acquire the company's own shares**

The Board proposes to the General Meeting that the Board is granted a power of attorney to acquire the company's own shares, primarily for the use in programs directed towards employees.

The Board proposes that the General Meeting pass the following resolution:

*The Board is granted a power of attorney under the Public Limited Companies Act, section 9-4, cf. sections 9-2 and 9-3, on behalf of Hafslund ASA, to acquire own B shares primarily for the use in programs directed towards employees in Hafslund ASA and subsidiaries of Hafslund ASA. The highest nominal value of shares that can be acquired under the authorization is NOK 3.904.469, equivalent to 2% of the company's share capital.*

*The lowest remuneration that can be paid per B share is NOK 10.-, while the highest remuneration that can be paid is NOK 300.- per share. The Board resolves whether and in what way the acquisition shall take place and, in that case, how and under which terms own shares shall be transferred.*

*The power of attorney is effective until the ordinary General Meeting in 2008.*

#### **10. The Board's statement on the stipulation of salary and other remuneration to senior executive**

Advisory vote on the Board of Directors' statement on the stipulation of salary and other remuneration to senior executives for the coming financial year (2007).

Approval of guidelines for share-related incentive arrangements.

#### **11. Election of members to the Board of Directors**

The Nomination Committee proposes that the General Meeting pass the following resolution:

*Mikael Lilius is re-elected and Ole Ertvaag and Hanne Harlem are elected as new Board Members until the ordinary General Meeting 2009.*

#### **12. Approval of the remuneration to the Board Members and Deputy Board Members**

The Nomination Committee proposes that the General Meeting pass the following resolution:

*For the period from the ordinary General Meeting 2006 until the ordinary General Meeting 2007 the Board Members' remuneration will be:*

Chairman:	NOK 540,000
Vice Chairman:	NOK 205,000
Board Members:	NOK 180,000

*The remuneration applies for both the shareholder-elected Board Members and the employee representatives who have participated in the Board's work.*

*For Deputy Board Members, the remuneration will be NOK 8,000 per board meeting which the Deputy Board Member has attended.*

*Allowances connected to travel and accommodation will be covered as incurred.*

### **13. Changes in the Nomination Committee's instructions – amendment of Article 8 of the Articles of Association**

It is stated in the applicable instruction for the Nomination Committee adopted at the ordinary General Meeting held 2 May 2005 that the Nomination Committee elects its Chairman. Based on the Norwegian Code of Practice for Corporate Governance of 28 November 2006, the Board proposes that the instructions are changed resulting in the General Meeting also electing the Chairman of the Nomination Committee, as well as it being stated that the Nomination Committee submits its proposal to the General Meeting regarding the composition of the Nomination Committee. The Board suggests that item 2, first paragraph, of the Nomination Committee's instructions is changed to the following wording:

*"The Nomination Committee shall consist of three members, who shall be shareholders or representatives of shareholders. The members and Chairman of the Nomination Committee are elected by the General Meeting. The Nomination Committee shall submit its proposal to the General Meeting regarding the composition of the Nomination Committee."*

Of the same reasons as those mentioned above, the Board suggests that Article 8, first and second paragraph, of the company's Articles of Association is changed to the following wording:

*"The Nomination Committee consists of three members, who shall be shareholders or representatives of shareholders. The members and Chairman of the Nomination Committee are elected by the General Meeting.*

*The period of service is two years. The period of service for one or two members expires every year. In the event of a voting tie, the Chairman shall have the casting vote."*

### **14. Election of members to the Nomination Committee, as well as the Chairman of the Nomination Committee**

The Nomination Committee consists of Christian Lund (Chairman), Hans Christian Rød and Kjell O. Viland. Kjell O. Viland stands for election. The Board of Directors proposes that the General Meeting pass the following resolution:

*Kjell O. Viland is re-elected as a member of the Nomination Committee for the period until the ordinary General Meeting in 2009.*

*Christian Lund continues as Chairman of the Nomination Committee.*

### **15. Approval of the remuneration to the members of the Nomination Committee**

The Board proposes that the General Meeting pass the following resolution:

*The Nomination Committee's remuneration shall be NOK 4,500 per member per meeting. In addition, the Nomination Committee's Chairman shall receive an invoice-based remuneration based on hourly assistance not covered by the regular remuneration. Such invoices shall be approved by the Chairman of the Board. The remuneration applies until the ordinary General Meeting in 2008.*

**16. Approval of the Auditor's remuneration**

**17. Motion from shareholder Håkon Wium Lie**

"In a letter of 12 June 2006 from the City of Oslo, repr. by the Commissioner of Urban Development, regarding access towers, Hafslund ASA was requested of the following:

*We request Hafslund ASA to use neither existing nor new access towers for commercial advertising and/or lighting before negotiations have been completed with the purpose of reaching an agreement.*

The General Meeting requests Hafslund ASA, repr. by the Chairman of the Board, to ensure that this request is complied with by removing all advertising and lighting from the towers as soon as practically possible. The General Meeting believes that Hafslund has nothing to win, but a lot to lose, from pushing unaddressed advertising on its customers in Oslo."

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- A. The annual accounts, annual report and the auditor's statement for 2006 are enclosed and have been sent to shareholders with known addresses. Furthermore, the Nomination Committee's proposal and the motion from shareholder Håkon Wium Lie is enclosed. The Board's statement on the stipulation of salary and other remuneration to senior executives is included in the annual report with reference to page 98 in the annual report for 2006.
- B. In accordance with Article 5 of the company's Articles of Association, the B class shares give no voting rights at the General Meeting unless otherwise decided in the Public Limited Companies Act.
- C. A shareholder who wishes to attend the General Meeting must, pursuant to Article 7, first paragraph, of the Articles of Association, inform the company within the time limit indicated in this notice. Registration can be made on the company's homepage, <http://www.hafslund.no/registrering>, electronically via Investortjenester or by returning the enclosed form to:
- DnB NOR Bank ASA, Verdipapirservice, Stranden 21, 0021 Oslo, Norway, fax: +47 22 48 11 71.
- The registration for the General Meeting must be made within Monday 30 April 2007 at 4 pm.
- Further information regarding the General Meeting can be obtained from Hafslund ASA, att.: Heidi Ulmo, telephone: +47 90 91 93 25, e-mail: [heidi.ulmo@hafslund.no](mailto:heidi.ulmo@hafslund.no).
- D. Shareholders have the right to be represented by a proxy. The proxy shall provide a written and dated power of attorney. Shareholders may, if they wish, grant power of attorney to the Chairman of the Board, Christian Brinch, or to the President and CEO, Christian Berg.

Oslo, 20 March 2007

The Board of Directors of Hafslund ASA

## THE NOMINATION COMMITTEE'S PROPOSALS TO THE GENERAL MEETING

The Nomination Committee in Hafslund has the following composition:

- Christian Lund, Chairman
- Kjell O. Viland
- Hans Kristian Rød

In connection with Hafslund ASA's ordinary General Meeting 3 May 2007, the Nomination Committee submits the following proposals:

### **Election of Board Members**

This year, three Board Members stand for election – Stig Grimsgaard Andersen, Ellen Christine Christiansen and Mikael Lilius.

The shareholders' right of proposal has been announced on Hafslund's web pages.

Based on the Board of Directors' own evaluation as well as contact with the Chairman of the Board and the President and CEO, the Nomination Committee finds that the Board as a collegium is well-functioning and continuously gaining deeper insight and experience with the business activities of the enterprise.

The Nomination Committee sees the need for continuity in the Board's work. However, the current Board has been in office without any changes among the shareholder-elected members for several years now. Thus, the Nomination Committee's work has been based on the fact that a gradual renewal is requested without sacrificing the continuity of the Board's work. Based on clear signals from those which the Nomination Committee has been in contact with, the number of shareholder-elected Board Members should be kept at today's level – 5 members. Thus, renewal should take place through resignation of Board Members.

Mikael Lilius, who is President and CEO in Fortum, has notified that he stands for re-election. In the Nomination Committee's opinion, it is very positive that Hafslund's second largest shareholder wants to be represented at the Board of Directors through its President and CEO. Thus, the Nomination Committee will propose that Mikael Lilius is re-elected for a period of two years.

Stig Grimsgaard Andersen and Ellen Christine Christiansen have, just like the other shareholder-elected Board Members, functioned since the General Meeting in 2003. Based on the considerations above regarding a gradual renewal of the Board of Directors, the Nomination Committee has tried to find suitable candidates for the Board. Through this work, and after having considered the largest shareholders, the Nomination Committee has decided to propose two new Board Members. Thus, the Nomination Committee will propose that Hanne Harlem and Ole Ertvaag be elected Board Members for a period of two years.

Short presentations of Hanne Harlem and Ole Ervaag are enclosed to this proposal. The Nomination Committee is of the opinion that the proposed candidates will supply the Board of Directors of Hafslund with further competence on areas which are important to the company. Simultaneously, the Board achieves an appropriate renewal.

### **Proposal**

*The Nomination Committee proposes that Mikael Lilius is re-elected with a function period until the ordinary General Meeting in 2009. Furthermore, the Nomination Committee proposes that Hanne Harlem and Ole Ertvaag are elected to the Board to replace the two other Board Members who stand for election this year, with a function period until the ordinary General Meeting in 2009.*

### **Approval of the remuneration to the Board Members**

The Nomination Committee's instructions state that the Board Members' remuneration shall reflect the Board's responsibilities, competence, time spent and the complexity of the business. The remuneration should be comparable with other listed companies of a similar size and complexity.

Last year, the General Meeting passed a resolution on Board Members' remuneration of NOK 175,000 for ordinary members. It was decided that the Vice Chairman was to receive a remuneration of NOK 205,000, whereas the Chairman was to receive a remuneration of NOK 520,000. The Chairman's remuneration shall reflect the fact that the person concerned has an important function as organizer and leader of the board meetings. Moreover, the Chairman also has other important responsibilities, such as maintaining relations with the shareholders and being in continuous contact with the President and CEO.

In the Nomination Committee's opinion, the Board Members' remuneration is at a competitive level for comparable businesses. Thus, the Nomination Committee proposes that the Board Members' remuneration should be adjusted for inflation only. Furthermore, the Nomination Committee is of the opinion that the difference in remuneration between the Vice Chairman and the other Board Members should be somewhat reduced. Thus, it is proposed that the Vice Chairman's remuneration should remain unchanged.

### **Proposal**

*The Nomination Committee proposes the following remunerations:*

- *Chairman: NOK 540,000*
- *Vice Chairman: NOK 205,000*
- *Other Board Members NOK 180,000*

30 March 2007

Christian Lund

Kjell O. Viland  
Chairman

Hans Kristian Rød

## **Appendix to the Nomination Committee's proposal**

### **Ole Ertvaag (43)**

Founding Partner & CEO, HitecVision Private Equity AS

Ertvaag has close to 20 years' of experience from the national and international oil industry and finance sector. Since 2000, he has led HitecVision, one of Norway's largest private equity fund advisors with a committed capital base of approximately NOK 2.5 billion. Previously, he was CFO and COO in the listed oil technology group Hitec ASA. Ertvaag has previously had a number of board positions in listed and unlisted companies. He has particularly worked with transactions, and for the past ten years he has been instrumental in a large number of acquisitions, company establishments, mergers/de-mergers, company disposals and stock exchange listings. Ertvaag has a degree in economics from BI, Norwegian School of Management.

### **Hanne Harlem (42)**

Former Minister of Justice, Commissioner at City of Oslo, and Assistant Director in Norsk Hydro. Until 2 May 2007, she is University Director at the University of Oslo. Her previous board positions include Oslo Energi and Oslo Energi Produksjon, the latter of which she was Chairman. She is Chairman of the newly established Helse Sør-Øst and also sits on the Board of Directors of Aker ASA. Hanne Harlem has a degree in law.

**APPENDIX: MOTION FROM SHAREHOLDER HÅKON WIUM LIE**

Appendix 1: Received motion from Håkon Wium Lie for resolution at Hafslunds General Assembly  
May 2007

Appendix 2: Letter from the City of Oslo dated 12 June 2006



Håkon Wium Lie  
Drammensveien 97B  
0273 Oslo  
epost: howcome@opera.com  
mobil: 90192217

Oslo 30. mars 2007

Hafslund ASA  
ved styreformann Christian Brinch,  
konsernsjef Christian Berg,  
IR-ansvarlig Heidi Ulmo

Som aksjonær i Hafslund ASA ber jeg om at Hafslunds generalforsamling i mai 2007 behandler sak om nedstigningstårn i Oslo. Under følger forslag til vedtak som bes tas med i innkallingen. Jeg ber også om at kopi av brevet fra Oslo Kommune av 12.06.2006 legges ved innkallingen. Jeg representerer flere aksjonærer i denne saken. Dersom dere mot formodning ikke skulle finne meg i Aksjonærregisteret ber jeg om å bli kontaktet snarest.

**Forslag til vedtak i Hafslunds Generalforsamling mai 2007**

I brev av 12.06.2006 fra Oslo Kommune ved v/byrådsavdeling for byutvikling vedrørende nedstigningstårn ble Hafslund ASA anmodet om følgende:

*Vi ber Hafslund ASA om at verken eksisterende eller nye nedstigningstårn benyttes til kommersiell reklame og/eller lys før det er gjennomført forhandlinger med sikte på å komme frem til en avtale.*

Generalforsamlingen ber Hafslund ASA v/styreformann sørge for at anmodningen følges opp ved at kommersiell reklame og lys i tårnene fjernes så snart praktisk mulig. Generalforsamlingen mener Hafslund ASA ikke har noe å vinne, men mye å tape, på å presse uadressert reklame på sine kunder i Oslo.

Mvh,



Håkon Wium Lie



Oslo kommune  
**Byrådsavdeling for byutvikling**

Hafslund ASA  
Drammensveien 144  
0247 Oslo

Dato: 12.06.2006

Deres ref:  
Rune Bjerke/Chr. Berg

Vår ref (saksnr):  
200206016-151

Saksbeh:  
Karl M. Johnsen, 23 46 16 48

Arkivkode:  
532

## **VEDR. FORHANDLINGER OM NEDSTIGNINGSTÅRN**

Hafslund ASA har endret den tidligere bruken av nedstigningstårn til kulverter fra rent driftsmessige formål til å ta i bruk reklamefinansierte nedstigningstårn.

Oslo kommune ønsker å innlede forhandlinger med Hafslund ASA om en generell avtale om bruk av nedstigningstårn på kommunal grunn. I den forbindelse opplyses at den midlertidige avtalen med JCDecaux Norge AS, tiltrådt av Hafslund ASA, om ikke å vise kommersiell reklame og stanse utplasseringen av nye tårn, ikke ønskes fornyet. Vi ber Hafslund ASA om at verken eksisterende eller nye nedstigningstårn benyttes til kommersiell reklame og/eller lys før det er gjennomført forhandlinger med sikte på å komme frem til en avtale.

Vi kommer tilbake med nærmere tiltak om forhandlinger.

Da den midlertidige avtalen om ikke-bruk av reklame m.v. på nedstigningstårnene er inngått med JCDecaux Norge AS, sender vi selskapet kopi av dette brevet.

Med hilsen

K. O. Sollie Johansen  
kommunaldirektør

Terje Ness  
bolig- og  
eiendomsutviklingssjef

[Godkjent og ekspedert i papirform uten underskrift](#)

**Kopi:** JCDecaux Norge AS, P.b. 4314 Nydalen, 0402 Oslo