



Notice of meeting and agenda

Annual General Meeting 2011 – Hafslund ASA

Wednesday 4 May 2011 at 17.00

Hafslund's head office, Drammensveien 144, Oslo

ITEMS ON THE AGENDA:**1. OPENING OF MEETING AND ELECTION OF MEETING CHAIRMAN**

The general meeting is opened by the Chairman of the Board.

In accordance with § 7 of the Articles of Association, the general meeting shall be chaired by the Chairman of the Board or the party elected by the general meeting.

2. ESTABLISHMENT OF LIST OF ATTENDING SHAREHOLDERS**3. APPROVAL OF NOTICE OF MEETING AND AGENDA****4. ELECTION OF TWO SHAREHOLDERS TO SIGN THE MINUTES TOGETHER WITH THE MEETING CHAIRMAN****5. REVIEW OF THE 2010 FINANCIAL STATEMENTS****6. RESOLUTION ON THE 2010 ANNUAL FINANCIAL STATEMENTS:**

- a) Adoption of the annual financial statements and the Board of Directors' Report for Hafslund ASA and the Hafslund Group.
- b) Approval of allocation of result for the year for Hafslund ASA, including the distribution of dividends for Hafslund ASA.

The first date when the shares are traded without dividend rights for 2010 (the "Ex-date") is 5 May 2011. The date for recording shareholders with the right to receive dividends (the "Record date") is the day before the Ex-date + 3 settlement days. The planned payment date for dividends is 18 May 2011.

7. GRANT OF POWER OF ATTORNEY TO THE BOARD FOR THE ACQUISITION OF THE COMPANY'S OWN SHARES

The Board proposes that the AGM grant the Board a power of attorney to acquire the company's own shares primarily for use in programmes directed towards the company's employees.

The Board recommends that the AGM adopt the following resolution:

The Board is hereby granted power of attorney pursuant to the Norwegian Public Limited Liability Companies Act, section 9-4, cf. Sections 9-2 and 9-3, to acquire on behalf of Hafslund ASA the company's own class B shares primarily for use in programmes directed towards the employees of Hafslund ASA and of the subsidiaries of Hafslund ASA. The highest nominal value of shares that may be acquired pursuant to this power of attorney is NOK 3,903,725, equivalent to 2 % of the company's share capital.

The lowest consideration that may be paid per class B share shall be NOK 10, while the highest consideration that may be paid shall be NOK 300 per share. The Board will determine the manner in which any acquisition shall take place and to what extent, and in such case how and in what manner, the company's own shares shall be disposed of.

This power of attorney is effective until the Annual General Meeting held in 2012 or in any event for no longer than 18 months

8. THE BOARD'S STATEMENT ON THE ESTABLISHMENT OF SALARIES AND OTHER REMUNERATION FOR EXECUTIVE EMPLOYEES

Consultative voting on the Board's guidelines for the establishment of management salaries for the next accounting year (2011).

9. ELECTION OF BOARD MEMBERS

The Nomination Committee proposes the following resolution to the general meeting:

The Nomination Committee proposes that Odd Håkon Hoelsæter is elected to the Board, with a function period until the Annual General Meeting in 2013. Furthermore, the Nomination Committee proposes that Ole Ertvaag and Hans Kristian Rød are re-elected to the Board with a function period until the Annual General Meeting in 2013.

10. ESTABLISHMENT OF REMUNERATION OF THE BOARD MEMBERS AND DEPUTY MEMBERS

The Nomination Committee proposes the following resolution to the general meeting:

For the period from the Annual General Meeting in 2010 until the Annual General Meeting in 2011 the Nomination Committee proposes payment of the following remuneration:

- *Chairman:* NOK 475 000
- *Other Board Members:* NOK 207 000

The remuneration applies to both shareholder-elected Board members and elected employees' representatives who have participated in the Board work.

For deputy Board members, remuneration shall be established as NOK 8 000 for each Board meeting the deputy Board member has attended.

For members of the Audit Committee, remuneration shall be established as NOK 40 000 per member.

For members of the Compensation Committee remuneration shall be established as NOK 4 500 for each meeting the member has attended.

Travel and subsistence expenses shall be paid against invoices.

11. ELECTION OF MEMBERS TO THE NOMINATION COMMITTEE, AND CHAIRMAN OF THE NOMINATION COMMITTEE

The members of Hafslund's Nomination Committee are: Christian Lund (Chairman), Timo Karttinen and Kjell O. Viland. The Board proposes that the general meeting adopt the following resolution:

Kjell O. Viland is re-elected as a member of the Nomination Committee, with a function period until the Annual General Meeting in 2013.

Christian Lund continues as Chairman of the Nomination Committee.

12. ESTABLISHMENT OF REMUNERATION OF MEMBERS OF THE NOMINATION COMMITTEE

The Board proposes that the general meeting adopt the following resolution:

The Nomination Committee's remuneration shall be NOK 5 000, per person per meeting. In addition, the Nomination Committee's Chairman shall receive remuneration in line with submitted invoices, based on time spent on assistance that is not covered by the fixed remuneration. Such invoices shall be sent to the Chairman of the Board. The remuneration applies until the 2012 Annual General meeting.

13. APPROVAL OF AUDITOR'S REMUNERATION

The Board proposes that the auditor's remuneration for 2010 be established as NOK 800 000 (excluding Value Added Tax).

- A. The annual financial statements, the Board of Directors' Report and the audit report for 2010 are displayed on the company's website at www.hafslund.no. The Board's statement on the establishment of salaries and other remuneration for executive employees is included in the Board of Directors' Report contained in the 2010 annual report. The notice of meeting is also displayed at www.hafslund.no
- B. The company's share capital as of 22 March 2011 is allocated to 195,186,264 shares, of which 115,427,759 shares are Class A shares and 79,758,505 shares are Class B shares. In accordance with § 5 of the company's Articles of Association, Class B shares do not confer voting rights at the General Meeting, unless otherwise determined in the Norwegian Public Limited Liability Companies Act. All shares confer the right to attend and speak at the General Meeting. A shareholder also has the right to bring an advisor to the general meeting and grant this person the right to speak at the meeting.
- C. Shareholders who wish to participate in the Annual General Meeting must, in accordance with § 7, first Para, of the Articles of Association, notify the company within the deadline as stated in this notice of meeting. Shareholders can register via the company's website, www.hafslund.no/registrering, via the website of Investortjenester or by returning the attached form to:

Nordea Bank Norge ASA, Issuer Services, P.O Box 1166 Sentrum, N-0107 Oslo, fax: +47 22 48 63 49.

The deadline for registering for the Annual General Meeting is 17:00 on Monday 2 May 2011.

You can obtain further information on the Annual General Meeting by contacting Ketil Wang at Hafslund ASA on tel. no.: +47 975 13 135, or by e-mailing: ketil.wang@hafslund.no.

- D. Shareholders have the right to attend via proxy. The appointed proxy shall present written and dated authority. The proxy form attached to the notice of meeting may be used for this purpose. Notice of proxy can be submitted electronically via Hafslund ASA's www.hafslund.no/registrering or via Investortjenester. Shareholders may, should they so wish, assign authority to the Chairman of the Board Birger Magnus or the President and CEO Christian Berg.
- E. A shareholder has the right to request information from the Board members and CEO in accordance with the more detailed provisions of § 5-15 of the Norwegian Public Limited Liability Companies Act.

Oslo, 22 March 2011

The Board of Directors of Hafslund ASA

This document, containing Notice of Meeting, Agenda and the Nomination Committee's proposals, was prepared in Norwegian, with an English office translation. In case of discrepancies between the two versions, the Norwegian version shall prevail.

The Nomination Committee's proposals to the Annual General Meeting

The members of Hafslund's Nomination Committee are as follows:

- Christian Lund, Chairman
- Kjell O. Viland
- Timo Karttinen

In connection with Hafslund ASA's Annual General Meeting on 4 May 2011, the Nomination Committee submits the following proposals:

Election of Board Members

Last Annual General Meeting, the number of board members was extended by two people. Four new board members were elected, and one of these was elected Chairman of the Board. As a consequence, the Nomination Committee has reached the conclusion that no big changes should be made in the composition of the Board this year.

Among the board members with function periods expiring this year, Hanne Harlem has given notice that she does not wish to stand for re-election. The two other board members with function periods expiring this year, Ole Ertvaag and Hans Kristian Rød, have notified the Nomination Committee that they will stand for re-election.

The Nomination Committee has held consultations with the Chairman of the Board and the company's President and CEO. It has also reviewed the findings of the Board's own process of self-assessment. Based on these consultations and its own assessment, the Nomination Committee proposes that one new member should be elected to the Board, and that Ole Ertvaag and Hans Kristian Rød are re-elected for a new period.

The Shareholders' right of nomination has been promulgated on Hafslund's website. No shareholders, other than the majority shareholders, namely the City of Oslo and Fortum, have expressed any opinion.

The Nomination Committee accordingly makes the following proposal:

Proposal

The Nomination Committee proposes that Odd Håkon Hoelsæter is elected to the Board, with a function period until the Annual General Meeting in 2013. Furthermore, the Nomination Committee proposes that Ole Ertvaag and Hans Kristian Rød are re-elected to the Board with a function period until the Annual General Meeting in 2013.

A brief presentation of Odd Håkon Hoelsæter is attached to this proposal.

Determination of remuneration for Board Members

The Nomination Committee's Guidelines state that the Board Members' remuneration shall reflect the Board's responsibilities and competence, the amount of time taken up by Board duties and the complexity of the company's business operations. Levels of remuneration should be comparable to those paid by other listed companies of an equivalent size and complexity.

Last year's Annual General Meeting approved remuneration of NOK 200,000 in respect of ordinary Board Members. The Chairman's remuneration was set at NOK 560,000. The remuneration paid to the Chairman should reflect the importance of the incumbent's role in organising and chairing Board meetings. The Chairman also has other important responsibilities, such as maintaining relations with shareholders and keeping an ongoing dialogue with the President and CEO.

The remuneration paid to the former Chairman of the Board had its background in specific tasks and challenges at the time when he was elected. Over the years, the workload and challenges have normalised, and in the opinion of the Nomination Committee, the remuneration has been in excess of what it should be for a company of this type. After consultations with the current Chairman of the Board, the Nomination Committee proposes a reduction in the remuneration paid to the Chairman of the Board. The Nomination Committee proposes an increase in the remuneration paid to the other Board Members in accordance with the general increase in prices.

In June 2010, The Board established an audit committee, which meets as often as necessary, but not less than four times a year. The Audit Committee has three members who spends extra time, and contributes with their specialist knowledge. In the opinion of the Nomination Committee, the members of the Audit Committee should receive a fixed remuneration for their work.

Proposal

For the period from the Annual General Meeting in 2010 until the Annual General Meeting in 2011 the Nomination Committee proposes payment of the following remuneration:

- *Chairman:* NOK 475 000
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The remuneration applies to both shareholder-elected Board members and elected employees' representatives who have participated in the Board work.

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Travel and subsistence expenses shall be paid against invoices.

5 April 2011

Christian Lund
Chairman

Kjell O. Viland

Hans Kristian Rød

BRIEF PRESENTATION OF ODD HÅKON HOELSÆTER

Odd Håkon Hoelsæter (born 1945) has been the President and Chief Executive Officer of Statnett SF from January 1992 till February 2009. He served as an Executive Vice President of The Norwegian Power Pool (Samkjøringen av Kraftverkene i Norge) Mr. Hoelsæter has served as the Chairman of the Board of Nord Pool ASA, member of the Board of Gassco AS, Spekter (Formerly NAVO), and Hafslund Nett AS. He is currently a member of the Board of Agder Energi Nett AS and Eidsiva Nett Holding AS. Mr. Hoelsæter has also been President of NORDEL and ETSO (Associations of Nordic/European Transmission System Operators). Mr. Hoelsæter holds a degree in engineering (M.Sc.) from the Norwegian University of Technology (NTH).