

## Minutes of Annual General Meeting

The Ordinary General Meeting of the shareholders of Eltek ASA was held on 9 May 2007 at the offices of the Company at Gråterudveien 8, Drammen.

### **1 Opening of the General Meeting and registration of attending shareholders**

The General Meeting was opened by Erik Thorsen the Chairman of the Board of Directors who registered the attending shareholders. A list of attending shareholders, including number of shares and votes represented is enclosed to the Minutes.

### **2 Election of a Chairman of the General Meeting and of a person to co-sign the Minutes from the General Meeting**

Erik Thorsen was elected to chair the Meeting.

Jørgen Larsen was elected to sign the Minutes together with the Chairman of the Meeting.

### **3 Approval of Notice and agenda of the General Meeting**

It was informed that the Notice of the General Meeting was sent to all shareholders with a known address on 25 April 2007 and published in Finansavisen on 24 April 2007.

The Chairman of the Meeting asked whether there were any objections to the Notice or the Agenda of the General Meeting. No such objections were made and the Notice and the Agenda were approved. The Chairman of the Meeting declared the General Meeting as lawfully convened.

### **4 Information on the Company's state of affairs**

The CEO Morten Angelil gave an account of the Company's state of affairs, including the financial status of the Company.

### **5 Approval of the Annual Accounts and the Annual Report of the Board of directors for the Financial Year 2006, including allocation of Profit and presentation of the Auditors' Report**

The Board of Directors' proposed Annual Accounts and the Annual Report from the Board of Directors had been forwarded to the shareholders together with the Notice of the General Meeting. The Auditor's report was also enclosed with the Notice.

The Annual Accounts, the Annual Report and the Auditor's report were presented to the General Meeting.

The Annual Accounts and Annual Report for the financial year 2006 were approved with 24 473 108 votes, 40 342 desisted from voting.

## **6 Remuneration to the Board of Directors and Auditor for 2006**

In line with the recommendation made by the Compensation Committee appointed by the Board of Directors the General Meeting resolved the following remuneration to the members of the Board of Directors:

*Remuneration shall be paid to the Board of Directors for 2006 with NOK 540,000 to the Chairman of the Board of Directors and NOK 300,000 to each of the other shareholder elected members of the Board of Directors. For each member of the Board of Directors elected by the employees, a remuneration of NOK 50,000 shall be paid. Remuneration for work in committees of the Board of Directors shall be paid to the two members of the compensation committee with NOK 30,000 each, and to the two members of the nomination committee with NOK 20,000 each. Members having served for parts of 2006 shall receive a proportionate part of the remuneration.*

The decision was passed with 24 473 108 votes, 40 342 desisted from voting

Further, the General Meeting resolved the following remuneration to the Company's auditor:

*Remuneration shall be paid to the auditor for audit (NOK 808,812) and other professional services (NOK 2,043,637) for 2006 according to invoice from the auditor of in total NOK 2,852,449.*

The decision was passed with 24 473 108 votes, 40 342 desisted from voting.

## **7 Consideration of the Statement by the Board of Directors of the principles for determination of remuneration to the Management of the Company, in accordance with section 6-16a of the Public Limited Companies Act**

The General Meeting considered the Statement by the Board of Directors of the principles for determination of remuneration to the Management of the Company.

The Chairman of the Meeting asked whether there were any comments to the Statement. The following comments were made from Folketrygdfondet and Orkla: Regarding the consideration by the Board of Directors of the principles for determination of remuneration to Management of the - Company, we will comment as follows: We are generally positive to remuneration schemes which have targets and are based on achieving results. We are therefore of the opinion that it is positive that Eltek's bonus scheme is connected to concrete targets for the Company, and with a financial ceiling that makes it possible to evaluate the total financial consequences for the Company. There is no upper limit or ceiling for the outcome of the share option program. In our opinion such an upper limit would give better control of the cost the Company can incur, and secure that compensations are not perceived as unreasonable relative to achieved results.

The Statement was then approved by the General Meeting with 18 182 575 against 6 290 533 votes, 40 342 desisted from voting, in a vote which apart from the share based remunerations constitutes an advisory voting.

## **8 Election of members to the Board of Directors**

The Nomination Committee's proposal regarding a new Board of Directors was presented to the General Meeting.

The following Directors were elected with 24 473 108 votes, 40 342 desisted from voting and the new Board of Directors thus consists of:

- Erik Thorsen, chairman,
- Arve Johansen,
- William H. Crown, and
- Susan Swenson

the period of service being 1 year.

It was informed why Eli Sætersmoen, who was proposed as a new Board Member, could not run for election. The Nomination Committee will, at a later stage, present to the General Meeting one or more additional candidates for the Board of Directors of Eltek ASA.

In addition, the Board of Directors will consist of Mads Dahl and Hanne Løyning Dale as the members elected by the employees.

## **9 Election of the Nomination Committee, and proposed amendment of the Company's Articles of Association**

The Nomination Committee's proposal regarding new members to the Nomination Committee was presented to the General Meeting.

The following comments were made by Folketrygdfondet and Orkla: Regarding composition of the Nomination Committee, it is our principle point of view that the Nomination Committee should be composed in a way that it is independent and competent relative to the directors to be elected. This complies with Norwegian principles for good Corporate Governance. To secure this the members of the Board of Directors should, in our opinion, not be members of the Nomination Committee. We see from the proposal that one of the Directors is proposed as a Chairman of the Nomination Committee. We therefore wish to vote against the proposal to the General Meeting.

The following members were elected for a period of one year with 18 181 125 against 6 291 983 votes. 40 342 desisted from voting. The new Nomination Committee thus consists of:

- William H. Crown, Chairman,
- Alain F. Angelil, and
- Svein Jacobsen

Further, and in line with the recommendation made by the Board of Directors, the General Meeting resolved to include the following new section 7 in the Company's Articles of Association:

*§ 7 – Nomination Committee*

*The Company shall have a Nomination Committee.*

*The Nomination Committee shall consist of three members appointed by the General Meeting, who are appointed for a period of up to 2 years. The Nomination Committee shall be made up so that broad shareholders' interests are represented.*

*The Nomination Committee shall propose candidates to the Board of Directors.*

The decision was passed with 24 471 658 against 1 450 votes, 40 342 desisted from voting.

Furthermore, the attached charter was approved by the General Meeting as the charter for the Nomination Committee.

The decision was passed with 24 471 658 against 1 450 votes, 40 342 desisted from voting.

## **10 Power of Attorneys to the Board of Directors**

### **10.1 General Power of Attorney to increase the Share Capital**

In line with the recommendation made by the Board of Directors, the General Meeting resolved to grant the Board of Directors the following authority in accordance with Section 10-14 of the Public Limited Companies Act:

*In accordance with Section 10-14 of the Public Limited Companies Act the Board of Directors is granted authority to increase the Company's share capital with up to NOK 3,000,000.*

*The authority is valid until the Annual General Meeting in 2008.*

*The Board of Directors may deviate from the shareholders' pre-emption right according to Section 10-4 of the Public Limited Companies Act.*

*The authority also comprises share capital increases against contribution in kind and the right to assume specific obligations etc, cf. Section 10-2 of the Public Limited Companies Act.*

*The authority also comprises capital increases in connection with mergers, cf. Section 13-5 of the Public Limited Companies Act.*

*All previous power of attorneys to increase the share capital shall be null and void.*

The decision was passed with 24 455 848 against 17 260 votes, 40 342 desisted from voting.

### **10.2 Power of Attorney to increase the Share Capital in connection with the Company's Option Program**

In line with the recommendation made by the Board of Directors the General Meeting also resolved to grant the Board of Directors the following authority in accordance with Section 10-14 of the Public Limited Companies Act:

*In accordance with Section 10-14 of the Public Limited Companies Act the Board of Directors is granted authority to increase the Company's share capital with up to NOK 3,000,000.*

*The authority is valid until the Annual General Meeting in 2008.*

*The Board of Directors may deviate from the shareholders' pre-emption rights according to Section 10-4 of the Public Limited Companies Act.*

*The authority does not comprise share capital increases against contribution in kind etc.*

*The authority does not comprise share capital increases in connection with mergers, cf. Section 13-5 of the Public Limited Companies Act."*

The following comments were made by Folketrygdfondet and Orkla: The proposal implies an increase in the option program in excess of what we find acceptable. An increase of 1 000 000 options brings total outstanding options above 6% of the total share capital. We are concerned that incentive schemes do not have an unreasonably large size and that there is a maximum limit to annual compensation of employees. We are therefore of the opinion that this level is too high and wish to vote against the proposed power of attorney to increase share capital by up to NOK 3 000 000.

The decision was passed with 18 177 240 against 6 295 868 votes, 40 342 desisted from voting.

### **10.3 Power of Attorney to Acquire Own Shares**

In line with the recommendation made by the Board of Directors the General Meeting resolved to grant the Board of Directors the following authority in accordance with Section 9-4 of the Public Limited Companies Act:

*The Board of Directors is granted authority to, on behalf of the Company, acquire own shares with a total nominal value of up to NOK 4,900,000, provided however, that the total nominal value of own shares at any given time shall not exceed 10 percent of the share capital in the Company.*

*The highest amount which can be paid per share is NOK 250 and the lowest is NOK 10.*

*Acquisition and sale of own shares can take place as considered suitable by the Board of Directors, but not by subscription of own shares. The Board of Directors shall ensure that applicable legislation regarding equal treatment of the Company's shareholders and the prohibition against giving shareholders an unreasonable advantage at the disadvantage of other shareholders is complied with.*

*The authority is valid until the Annual General Meeting in 2008.*

*If own shares are sold, the authority also comprises purchase of new shares as replacement of the sold shares, as long as the total holding of shares does not exceed the 10 percent limit.*

*The authority replaces all previous authorities given for purchase of own shares and all such authorities shall be null and void."*

The following comments were made from Folketrygdfondet and Orkla: We refer to the statement of item 10.2 and find that we cannot support a power of attorney to acquire own shares whereby shares can be used in a share option program, which we think is unreasonably comprehensive. We therefore wish to vote against the power of attorney to acquire own shares.

The decision was passed with 18 182 575 against 6 290 533 votes, 40 342 desisted from voting.

The Chairman asked if there were further matters to be discussed. There were no further matters and the General Meeting was therefore adjourned.

Drammen, 9 May 2007

---

Erik Thorsen, Chairman of the Meeting  
(Sign.)

---

Jørgen Larsen, person selected to co-sign  
(Sign.)

Enclosure:

1. List of the present shareholders, with specification of the number of shares and votes
2. Charter for the Nomination Committee