



Eltek ASA

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Reg.nr.: NO 824 545 022 MVA

To the Shareholders of Eltek ASA

Your ref.:

Our ref.:
JL/TF

Drammen, 2002-03-22

NOTICE OF ANNUAL GENERAL MEETING IN ELTEK ASA

Notice is hereby given on behalf of the Board of Directors of Eltek ASA of an Annual General Meeting in Eltek ASA to be held on 18 April 2002 at 1830 hrs at Gråterudveien 8, Drammen, Norway.

Recording of meeting shareholders will take place from 1800 hrs.

A light meal and refreshments will be served after the General Meeting has been concluded.

The following issues will be considered:

1. **Opening of the General Meeting and recording of meeting shareholders**
2. **Appointment of a chairman of the General Meeting and of a person to co-sign the minutes from the General Meeting**
3. **Approval of the notice and the agenda of the General Meeting**
4. **Information on the company's state of affairs**
5. **Approval of the annual accounts and annual report for the financial year 2001, including allocation of profit and presentation of the auditors' report**
6. **Reduction of the company's share premium reserves (premium fund) by transfer to other equity**
7. **Adjustment of the Board of Director's authority to issue new shares**
8. **Power of attorney for acquisition of shares in the company**
9. **Election of new auditor**
10. **Election of new board members**
11. **Remuneration to the board of directors and auditor for 2001**

The General Meeting will be opened by the Chairman of the Board Erik Thorsen.

The reasons for and proposed resolutions under item 6 – 11 are appended.

We kindly request that shareholders who intend to attend the Annual General Meeting give notice to the company within 17 April 2002 by telephone or telefax (by using the enclosed form) on the following numbers:

Telephone: + 47 32 20 32 00

Telefax: +47 32 20 33 02

Shareholders may choose to be represented by power of attorney. If so preferred, the attached power of attorney may be used. Power of attorney can also be given to the Chairman of the Board or the company's CEO.

After the Annual General Meeting, the management will present the results for the first quarter of 2002.

Appendices:

1. Notification of attendance / power of attorney
2. Reason for and proposals for resolutions under item 6 – 11
3. Annual report 2001

Drammen, 22 March 2002
On behalf of the Board of Directors of Eltek ASA

Erik Thorsen (sign.)
Chairman

TO BE RETURNED TO:

(Fax. no. +47 32 20 33 02)

Eltek ASA
PO Box 2340 Strømsø
N-3003 Drammen
Norway

**ANNOUNCEMENT OF PARTICIPATION
at Annual General Meeting of Shareholders in Eltek ASA,
on 18th April 2002 at 1830 hrs in Eltek ASA's premises in Drammen.**

I ownshares
I am a proxy forshares
I am a legal proxy for (Board Member, guardian for minors, etc.):

Name:..... Shares:.....

Name:..... Shares:.....

.....
Place Date Signature by the participant at the
Annual General Meeting of Shareholders

AUTHORISATION

As an owner ofshares in Eltek ASA, I hereby give

.....
authorisation to represent me at the Annual General Meeting of Shareholders in Eltek ASA,
18th April 2002 at 1830 hrs., and to vote for my shares.

.....
Place Date Principal/shareholder's signature

Principal/shareholder's name and address (please use capital letters)

.....

REASONS FOR AND PROPOSED RESOLUTIONS

Item 6. Reduction of the company's share premium reserves (premium fund) by transfer to other equity

The Board of Directors proposes that the company's share premium reserves (premium fund) are reduced by NOK 722,101,000 to NOK 0 by transfer from the share premium reserves (premium fund) to other equity. The purpose of the proposal is to increase flexibility with regard to future payment of dividend and acquisition of own shares.

Against this background, the Board of Directors proposes that the General Meeting adopts the following resolution:

"The company's share premium reserves are reduced by NOK 722,101,000 to NOK 0 by transfer from the share premium reserves to other equity."

Item 7. Adjustment of the Board of Director's authority to issue new shares

7.1 Current powers of attorney

As per today, the Board of Directors has the following remaining powers of attorney to increase the company's share capital:

- (i) Power of attorney to increase the share capital by up to NOK 600,000, equalling 600,000 shares, granted on 27.04.99 (renewed 26.04.00) in connection with stock option program 2. The power of attorney expires 26.04.02. 183,817 shares have been issued under the power of attorney and 351,433 options have been granted that have not yet been exercised, and where the deadline for exercise is 26.04.02.
- (ii) Power of attorney to increase the share capital by up to NOK 500,000, equalling 500,000 shares, granted on 26.04.00 (renewed 26.04.01) in connection with stock option program 3. The power of attorney expires 26.04.03. No shares have been issued under the power of attorney. 355,500 stock options have been granted under stock option program 3 that have not yet been exercised, and where the latest deadline for exercise is 15.11.03.
- (iii) Power of attorney to increase the share capital by up to NOK 1,000,000, equalling 1,000,000 shares, granted on 26.04.01 in connection with stock option program 4. The power of attorney is effective until 26.04.03. No shares have been issued under the power of attorney. 1,000,000 stock options have been granted under stock option program 4 that have not yet been exercised, and where the latest deadline for exercise is 15.03.04.
- (iv) General power of attorney to increase the share capital by up to NOK 5,000,000, equalling 5,000,000 shares, granted on 26.04.00. The power of attorney is valid until 26.04.02. A total of 58,730 shares have been issued under the power of attorney. The power of attorney can be used to issue shares in connection with mergers and acquisitions or general financing through share issues.

7.2 Proposal on new power of attorney related to the company's stock option programs

In the Board of Director's opinion, it is an advantage for the company that the stock option programs have longer terms than two years. The Board of Directors therefore proposes that the General Meeting grants the Board of Directors a new power of attorney with a term of two years in replacement of the powers of attorney mentioned under item 7.1 (ii) and (iii) above. The new power of attorney will be sufficient to cover the company's obligations under stock option program 3 and 4.

Against this background, the Board of Directors proposes that the General Meeting adopts the following resolution:

“1. The power of attorney to the Board of Directors to increase the share capital by up to NOK 500,000, as given in the Annual General Meeting 26.04.00, amended in the Extraordinary General Meeting 16.10.00 and extended in the Annual General Meeting 26.04.01, is withdrawn and replaced by the power of attorney given in item 3. below.

2. The power of attorney to the Board of Directors to increase the share capital by up to NOK 1,000,000, as given in the Annual General Meeting 26.04.01, is withdrawn and replaced by the power of attorney given in item 3. below.

3. The Board of Directors of the company is granted a power of attorney to increase the company's share capital with up to NOK 1.355.500. The power of attorney shall be used when issuing shares pursuant to option agreements entered into between the company and the employees and Directors of the company. The Board of Directors decides the subscription price and other conditions for subscription. The shareholders' preferential right according to the Norwegian Public Liability Companies Act § 10-4 can be derogated from. The power of attorney is valid for 2 years from the date of this resolution.”

7.3 Proposal on replacement of general power of attorney to issue shares

In 2000, the company issued 28,730 shares under the power of attorney mentioned under item 7.1 (iv) above as part of the payment for 10 % of Eltek Hong Kong. Further, the company issued 60,000 share options as part of the payment for 25 % in Unitech in 1999. 30,000 of these options were exercised in 2001. Thus, 4,941,270 shares remain in the existing power of attorney.

The Board of Directors considers it important to have a power of attorney to issue shares in connection with mergers or acquisitions directly to merger partners or sellers or for financing of acquisitions and/or operations through a general issue of shares. It is therefore proposed that the current power of attorney is withdrawn and replaced with a power of attorney for 4,941,270 shares with a term of two years.

Against this background, the Board of Directors proposes that the General Meeting adopts the following resolution:

“1. The power of attorney to the Board of Directors to increase the share capital with up to NOK 5,000,000 given in the annual General Meeting 26.04.00 is withdrawn to the extent it has not been utilised.

2. The Board of Directors is given a power of attorney to increase the share capital with up to NOK 4,941,270. The Board of Directors shall determine the subscription price and other conditions for subscription. The shareholders' preferential right according to the Norwegian Public Liability Companies Act § 10-4 can be derogated from, wholly or partially, at the discretion of the Board of Directors. The power of attorney covers an increase of the share capital against non-cash contributions or a right to incur special obligations for the company, cf. the Norwegian Public Liability Companies Act § 10-2, or a resolution on a merger in accordance with the Norwegian Public Liability Companies Act § 13-5. The authorization can be used in connection with a take-over situation, cf. the Stock Exchange Act § 4-9, and the Securities Trading Act § 4-17. The power of attorney is valid for 2 years from the date of this resolution.”

7.4 Proposal on new power of attorney to issue shares in connection with new option program

In order to ensure that the company is able to offer competitive terms to both new and existing management and key employees and to attach employees to the company through active co-ownership, the Board of Directors wishes to continue the incentive programs that are linked to the development in the share price.

The Board of Directors considers the existing option programs to have been successful, as they have created great involvement and enthusiasm among key employees. The existing option programs

have also been used to grant 100 options to all employees in the group, and the Board of Directors is of the opinion that this program should continue.

After the expiry of stock option program no. 2 on 26.04.02, 1,355,500 options will remain from the current programs. The Board of Directors has no further powers of attorney to cover new options. The Board of Directors therefore proposes to be granted a power of attorney to increase the company's share capital by up to NOK 1,000,000, equalling 1,000,000 shares, in connection with new option programs directed towards all employees, management and members of the Board of Directors. The total number of outstanding options (assuming 1,000,000 options are granted under the new programs) will then be 2,355,500 or 9.6 % of the total number of shares issued.

The Board of Directors proposes that the new option program also covers options to the Chairman of the Board and the other shareholder elected Board members, see item 7.5 below.

Against this background, the Board of Directors proposes that the General Meeting adopts the following resolution:

“The Board of Directors is given power of attorney to increase the share capital with up to NOK 1.000.000. The power of attorney shall be used when issuing shares pursuant to option agreements entered into between the company and the employees and Directors of the company. The Board of Directors decides the subscription price and other conditions for subscription. The shareholders' preferential right according to the Norwegian Public Liability Companies Act § 10-4 can be derogated from. The power of attorney is valid for 2 years from the date of this resolution.”

7.5 Proposal to grant options to members of the Board of Directors

Currently, the shareholder elected members of the company's Board of Directors have the following stock options:

Erik Thorsen (chairman)	30,000
Alain F. Angelil	65,000
William H. Crown	15,000
Joe T. Ford	15,000
Arve Johansen	15,000
Edward S. Weil	15,000

As part of the new option programs mentioned under item 7.4 above, the Board of Directors proposes that the General Meeting grants the members of the Board of Directors additional stock options in the company.

Against this background, the Board of Directors proposes that the General Meeting adopts the following resolution:

“The Board's shareholder elected members are granted options to subscribe for shares in the company as follows:

<i>Erik Thorsen (chairman)</i>	<i>40,000</i>
<i>Alain F. Angelil</i>	<i>25,000</i>
<i>William H. Crown</i>	<i>25,000</i>
<i>Joe T. Ford</i>	<i>25,000</i>
<i>Arve Johansen</i>	<i>25,000</i>
<i>Edward S. Weil</i>	<i>25,000</i>

Share issues in connection with exercise of options are carried out by the Board of Directors under the power of attorney granted under item 7.4 above. The conditions for the company's option program apply.”

Item 8. Power of attorney for acquisition of shares in the company

Acquisition of own shares can be a flexible equity instrument for the company, and the company can for example use its holding of own shares as payment in connection with acquisition of businesses.

The power of attorney to the Board of Directors to acquire own shares that was granted in the Annual General Meeting on 26.04.01 expires on 26.10.02. The Board of Directors proposes that this power of attorney is replaced by a new, prolonged power of attorney to acquire up to 10 % of the company's own shares, of the Public Limited Companies Act § 9-2.

Against this background, the Board of Directors proposes that the General Meeting adopts the following resolution:

"1. The power of attorney to the Board of Directors to purchase the company's own shares given in the Annual General Meeting 26.04.01 is withdrawn.

2. The Board of Directors is given the power of attorney to buy the company's own shares up to a total par value of NOK 2,446,338, representing 10 % of the company's current share capital. The compensation paid per share shall be minimum NOK 15 and maximum NOK 750. The Board of Directors is vested with the power and discretion, within the limits of the Norwegian Public Limited Companies Act's principle of equal treatment, cf. § 6-28 (1), to decide in which manner purchase and sale of own shares shall take place. The power of attorney shall be for continuous use. If own shares are sold, the power of attorney also encompasses purchase of new shares to replace sold shares, as long as the total holding does not exceed 10 % of the company's share capital. The power of attorney shall be in force until the next Annual General Meeting of the company, but under no circumstances longer than for 18 months from the date of this resolution."

Item 9. Election of new auditor

The Board of Directors proposes that the General Meeting resolves to elect a new auditor. The company is currently in the process of evaluating offers from five audit firms for audit services to the Group companies. The Board of Directors will present a proposal for a resolution on election of a new auditor in the General Meeting.

Item 10. Election new board members

The Board of Directors proposes that the General Meeting resolves to appoint shareholder elected members to the Board of Directors. The Board will present a proposal on new Board members in the General Meeting.

Item 11. Remuneration to the board of directors and auditor for 2001

The Board of Directors proposes that the General Meeting adopts the following resolution regarding remuneration to the members of the Board of Directors:

"Remuneration shall be paid to the Board of Directors for 2001 with NOK 250,000 to the chairman of the Board and NOK 150,000 to each of the other shareholder elected Board members. For members of the Board elected by the employees a remuneration of NOK 30,000 shall be paid to each. "

The Board of Directors proposes that the General Meeting adopts the following resolution regarding remuneration to the company's auditor:

"Remuneration shall be paid to the auditor for auditing and advise for 2001 according to invoice from the auditor of NOK 305,000."