

Eltek ASA

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To the Shareholders of Eltek ASA

Your ref.:

Our ref.:
08b-PS/SW

Drammen, 2008-04-22

NOTICE OF ANNUAL GENERAL MEETING IN ELTEK ASA

Notice is hereby given on behalf of the Board of Directors of Eltek ASA of the Annual General Meeting in Eltek ASA to be held on 8 May 2008 at 17:00 hrs at Gråterudveien 8, Drammen, Norway.

Recording of attending shareholders will take place from 16:30 hrs.

The following issues will be considered:

1. **Opening of the General Meeting and registration of attending 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 Report of the Board of Directors for the Financial Year 2007, including allocation of profit and presentation of the Auditors' Report**
6. **Remuneration to the Board of Directors, Nomination Committee and Auditor for 2007 and extraordinary remuneration to the Chairman of the Board in 2008**
7. **Consideration and approval of the Statement by the Board of Directors of the principles for determination of the Remuneration to the Management of the Company, in accordance with section 6-16a of the Public Limited Companies Act**
8. **Election of Members of the Board of Directors**
9. **Election of Members of the Nomination Committee**
10. **Powers of Attorneys to the Board of Directors**
11. **Approval of reduction of the Share Premium Fund**

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

The details of, and reasons for, the proposed resolutions under items 2 and 6 – 11 are included in Attachments 2, 4 and 5.

We kindly request that shareholders who intend to attend the Annual General Meeting give notice (by using the enclosed form) to Nordea Bank Norge ASA within 7 May 2008 at 16:00 hrs CET by telefax: +47 22 48 63 49 or by post to: Nordea Bank Norge ASA, Issuer Services, P.O. Box 1166 Sentrum, N-0107 Oslo.

Shareholders may choose to be represented by proxy. If so preferred, the attached proxy form, which includes detailed instructions for the use of the form, may be used. Proxy can, if desired, be given to the Chairman of the Board or the Company's CEO.

Eltek ASA is a public limited company subject to the rules of the Norwegian Public Limited Companies Act. As of the date of this notice, the company has issued 49,206,000 shares, each of which represents one vote. The shares have equal rights also in all other respects. As of the date of this notice, the company owns 89,905 own shares, for which votes cannot be cast. A shareholder has the right to have questions addressed at the General Meeting provided that these are submitted in writing to the Board of Directors at least two weeks prior to the General Meeting.

This notice and its appendices, as well as the company's Articles of Association, are also available at the company's homepage: www.eltek.com.

Attachments:

1. Notification of attendance / power of attorney
2. Details of, and reasons for, the resolutions proposed under items 2 and 6 – 11
3. Annual Report 2007
4. Recommendation from the Nomination Committee regarding election of members of the Board of Directors and the Nomination Committee
5. Auditor's statement regarding the proposed reduction of the share premium fund

Drammen, 22 April 2008
On behalf of the Board of Directors of Eltek ASA

Erik Thorsen (sign.)
Chairman



Aksjeeiers fullstendige navn og adresse

**NOTICE OF
ANNUAL GENERAL MEETING**

Annual General Meeting in Eltek ASA to be held on 8 May 2008 at 17:00 hours in Gråterudveien 8, Drammen

ATTENDANCE SLIP – Eltek ASA – Annual General Meeting

This Attendance Slip should be returned to Nordea Bank Norge ASA, Issuer Services no later than **16:00 CET** on **7 May 2008**. Address: Nordea Bank Norge ASA, Issuer Services, P.O. Box 1166 Sentrum, N- 0107 Oslo. Telefax: +47 22 48 63 49.

The undersigned will attend Eltek ASA's Annual General Meeting on **8 May** and

vote for my/our shares

vote for shares in accordance with proxy(ies) enclosed

_____ Date

_____ Shareholder's signature

PROXY – GENERAL MEETING 8 MAY 2008 OF ELTEK ASA

Shareholders who are not able to attend the Annual General Meeting on 8 May 2008 may be represented by way of proxy, in which case this proxy form may be used.

The undersigned shareholder in Eltek ASA hereby grants (*please tick*):

- The Chairman of the Board Erik Thorsen or the person he appoints
 The CEO of Eltek ASA Jørgen Larsen or the person he appoints

 Name of proxy (*please use capital letters*)

proxy to meet and vote for my/our shares at the Annual General Meeting of Eltek ASA on 8 May 2008. If the proxy form is submitted without stating the name of the proxy, the proxy will be deemed to have been given to the Chairman of the Board or the person he authorises.

The votes shall be cast in accordance with the instructions below. Please note that **if the alternatives below are not ticked off, this will be deemed to be an instruction to vote "in favour" of the proposals in the notice**, provided, however, that the proxy determines the voting to the extent proposals are put forward in addition to or instead of the proposals in the notice.

Item:

	In favour	Against	Abstain	At the proxy's discretion
2. Election of Erik Thorsen as chairman of the meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval of the notice and the agenda	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Approval of the annual accounts and report of the Board of Directors for the Financial Year 2007, including allocation of profit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approval of the remuneration to the members of the Board of Directors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Approval of the remuneration to the members of the Nomination Committee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Approval of the remuneration to the Auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Approval of the extraordinary remuneration to the Chairman of the Board in 2008				
7. Approval of the statement from the Board of Directors of the principles for determination of the Remuneration to the Management of the Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Election of the Board of Directors				
Chairman Erik Thorsen (re-election)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Member Arve Johansen (re-election)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Member William H. Crown (re-election)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Member Astrid Kårstad (re-election)				
Member Dia S. Weil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Member Birgitte F. Angelil	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Election of members of the Nomination Committee				
Leader William Crown (re-election)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Member Alain F. Angelil (re-election)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Member Svein Jacobsen (re-election)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Power of Attorneys to the Board of Directors				
Power of attorney to increase the share capital in connection with acquisitions etc.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Power of attorney to increase the share capital in connection with the Company's option program	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Power of attorney to acquire own shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Approval of reduction of the Share Premium Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The name and address of the shareholder: _____
 (*please use capital letters*)

 date

 place

 signature of the shareholder

This Proxy slip should be returned to Nordea Bank Norge ASA, Issuer Services no later than **16:00 CET on 7 May 2008**.
 Address: Nordea Bank Norge ASA, Issuer Services, P.O. Box 1166 Sentrum, N- 0107 Oslo. Telefax: +47 22 48 63 49.

If this proxy is given by signatory powers, please attach a certificate of registration.

REASONS FOR AND PROPOSED RESOLUTIONS

Item 2. Appointment of a Chairman of the General Meeting

The Board of Directors proposes that the Chairman of the Board Erik Thorsen be elected to chair the meeting.

Item 6. Remuneration to the Board of Directors, Nomination Committee and Auditor for 2007 and extraordinary remuneration to the Chairman of the Board in 2008

In line with the recommendation made by the Compensation Committee appointed by the Board of Directors, it is proposed 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 2007 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 200,000 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, Members having served for parts of 2007 shall receive a proportionate part of the remuneration.”

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

“Remuneration shall be paid to the Nomination Committee for 2007 with NOK 50,000 to two of the members and NOK 30,000 to the third member, based on number of physical meetings attended.”

The Board of Directors proposes that the General Meeting adopts the following resolution regarding remuneration to the Auditor of the Company (Eltek ASA):

“Remuneration shall be paid to the auditor for audit (NOK 739,300) and other professional services (NOK 582,845) for booked costs in 2007 of in total NOK 1,322,145.”

It is further proposed that the Chairman of the Board Erik Thorsen shall be paid an extraordinary remuneration of NOK 50,000 per month for the additional work conducted by him as a result of the managerial challenges the Company currently faces. The remuneration shall be paid from 1 February 2008 until said challenges have been solved and the need for such additional work no longer applies. The period for which the extraordinary remuneration shall be paid shall be approved by the Annual General Meeting in 2009.

Item 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 Board of Directors has issued a statement regarding the principles for determination of the remuneration to the Management which is included in the Report of the Board of Directors in the Annual Report (please refer to pages 16 through 18 in the attached Annual Report). Since the completion of the Annual Report, the Board of Directors has completed a new proposal for a stock option program described below.

Guidelines for granting stock options

The goal of Eltek's stock option program is that the organization shall have an incentive program that is linked to the development of the stock price. The program shall further secure that Eltek is able to offer competitive terms to both new and existing management and key employees and to retain these employees. The Board of Directors wishes to continue the Company's option program within a clearly defined framework in terms of number of options outstanding and number/type of participating employees.

- Top management and regional managers (35 people): 10 – 25,000 options
- Key employees (25 people): 7 – 9,000 options

- Level 1 and 2 managers (120 people): 3 – 5,000 options

The options shall be granted with a strike price 5% above the weighted average price of the Company stock on the day of the Annual General Meeting. The options will have a vesting period of 3 years and maturity of 2 years. The gain from the option program is capped at 300% of the strike price plus 25% of any additional gain above that level. The number of outstanding options shall at no time exceed 5% of the outstanding shares.

At the General Meeting, a consultative vote over the statement will be held, provided however that the vote shall be binding with respect to the parts of the statement regarding the granting of stock options.

Item 8. Election of Members of the Board of Directors

The proposal by the Company's Nomination Committee is attached as Appendix 4 hereto.

Item 9. Election of Members of the Nomination Committee

The proposal by the Company's Nomination Committee is attached as Appendix 4 hereto.

Item 10. Power of Attorneys to the Board of Directors

At the Annual General Meeting held on 9 May 2007, the Board of Directors was granted (i) a general power of attorney to increase the share capital with up to NOK 3,000,000, (ii) a power of attorney to acquire own shares with a total nominal value of up to NOK 4,900,000, and (iii) a power of attorney to increase the share capital in connection with the Company's option program with up to NOK 2,700,000. The powers of attorneys expire at the Annual General Meeting in 2008. The Board of Directors proposes that the three powers of attorney are replaced with new powers of attorney as follows:

10.1. Power of attorney to increase the share capital in connection with acquisitions etc.

The Board of Directors proposes that it is granted the authority to increase the share capital by up to NOK 4,900,000 in order to be able to carry out acquisitions or possibly raise capital for such transactions. The potential acquisitions shall only be of strategic nature and in related industries to power supply and telecom transmission. It is desirable that the Board of Directors is given the opportunity to act swiftly in such situations if this is considered to be in the Company's and shareholders' common interest. The authority may also be used in mergers or for raising capital for day-to-day business. Due to the objective of the power of attorney, the Board of Directors must also be able to waive the shareholders' pre-emption right to the new shares.

The Board of Directors thus proposes that it is given the following authority to issue new shares:

"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 4,900,000.

The authority is valid until the Annual General Meeting in 2009, but no longer than 30 June 2009.

The Board of Directors may waive 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."

10.2 Power of attorney to increase the share capital in connection with the Company's option program

Eltek has, until the merger with Nera, followed a practice of issuing new shares when options have been exercised. Exercising of options has been limited to four periods during the year. The options held by employees in Nera, which were converted to options in Eltek following the merger, can be exercised at any time once they are vested. Eltek has therefore purchased own shares and sold these shares in connection with exercise of options late 2006 and in 2007.

Outstanding options as per today are 1,072,042. As it appears from 10.1 above, all previous powers of attorney to increase the share capital are cancelled and in line with past practice the Board of Directors asks for a new authority to cover the 1,072,042 outstanding options and 1,227,958 new options under the Company's option program.

The Board of Directors therefore proposes that it, in addition to the power of attorney referred to under section 10.1 above, is granted the authority to increase the share capital by up to an additional NOK 2,300,000 to be used in relation to the Company's option program etc (see item 7 above). The Board of Directors should be able to choose between settlement of the options through issuance of new shares or its holding of own shares. Due to the objective of the power of attorney, the Board of Directors must be able to waive the shareholders' pre-emption right to the new shares.

The Board of Directors thus proposes that it is given the following authority to issue new shares:

"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 2,300,000 in connection with the Company's option program.

The authority is valid until the Annual General Meeting in 2009, but no longer than 30 June 2009.

The Board of Directors may waive the shareholders' pre-emption right 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."

10.3 Power of attorney to acquire own shares

The Board of Directors believes that acquisition of own shares may be appropriate, among other things, for the purpose of providing the Company with a reserve of own shares which may be used in relation to option programs, acquisitions etc. In addition, the Board of Directors will consider whether purchasing own shares may be a beneficial financial placement.

It is suggested that the Board of Directors is granted the following authority to purchase its own shares, of which up to 300,000 shares may be used to settle options of employees within the Group:

"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 through 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 2009, but no longer than 30 June 2009.

If own shares are sold, the authority also comprises purchase of new shares as replacement for the sold shares, as long as the total holding of own 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.”

Item 11. Reduction of the Share Premium Fund

By end of 2007 Eltek ASA has a total equity of NOK 1,896 million, whereof Distributable Equity is NOK 120 million. Distributable Equity is a prerequisite for several types of transactions including dividends, group contributions and buy-back of own shares. In order to obtain a more flexible capital structure in the company, the Board of Directors proposes that the Share Premium Fund be reduced with NOK 500 million and that the reduced amount be transferred to Other Equity.

A confirmation from the company's auditor to the effect that the company's non-distributable equity will be fully covered after the reduction is attached hereto as Appendix 5. In the opinion of the Board of Directors, there are no material reasons not to carry out the reduction of the Share Premium Fund. For a more detailed description of the company's financial situation, reference is made to the annual accounts for 2007.

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

“The company's Share Premium Fund is reduced with NOK 500,000,000, from NOK 1,533,800,000 to NOK 1,033,800,000. The reduction amount shall be transferred to Other Equity.”

If the General Meeting passes the resolution, the resolution shall immediately be notified to the Norwegian Register of Business Enterprises and the reduction will enter into force following the expiry of the creditor notification period.