

Eltek ASA

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To the shareholders of Eltek ASA

Your ref.:

Our ref.:
RF/PS

Drammen, 2010-04-29

NOTICE OF ANNUAL GENERAL MEETING IN ELTEK ASA

Notice is hereby given on behalf of the Board of Directors of the Annual General Meeting in Eltek ASA to be held on 20 May 2010 at 17:00 hrs (CET) at Gråterudveien 8, Drammen, Norway.

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

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**
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 2009, including allocation of profit and presentation of the Auditors' Report**
6. **Remuneration to the Company's Board of Directors, Nomination Committee, Board Committees and Auditor**
7. **Consideration and vote of the Statement by the Board of Directors of the principles for determination of the Remuneration to the Company's Executive Management, in accordance with Section 6-16a of the Norwegian Public Limited Liability Companies Act**
8. **Election of Members of the Board of Directors**
9. **Election of Members of the Nomination Committee**
10. **Authorizations to the Board of Directors to increase the share capital**

The Annual General Meeting will be opened by the Chairman of the Board of Directors, Bengt Thuresson.

The details of, and reasons for, the proposed resolutions under items 2 and 6-10 are included in Attachments 2 and 3.

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 19 May 2010 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, Norway.

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 liability company subject to the rules of the Norwegian Public Limited Liability Companies Act. As of the date of this Notice, the Company has issued 329,205,923 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 put forward proposals for resolutions in matters on the agenda and to require that the members of the Board of Directors and the Chief Executive Officer at the General Meeting give available information regarding matters which may influence the assessment of (i) the approval of the Annual Accounts and the Annual Report, (ii) matters which are submitted to the shareholders for decision, and (iii) the Company's financial position, including operations in other companies which the Company participates in, and other matters which are to be resolved by the General Meeting, unless the requested information cannot be given without disproportionate damage for the Company.

This Notice and its appendices, as well as the Company's Annual Report 2009 and its Articles of Association, are also available at the Company's web-site: www.eltek.com. Shareholders may contact the Company by ordinary mail, telefax, e-mail or telephone in order to request the documents in question on paper. Address: Eltek ASA, P.O.Box 2340 Strømsø, 3003 Drammen, Norway, telefax: +47 32 20 32 10, e-mail: eltek@eltek.com, telephone: +47 32 20 32 00.

Attachments:

1. Notification of attendance and proxy form
2. Details of, and reasons for, the resolutions proposed under items 2 and 6-10
3. Recommendations from the Nomination Committee regarding election of members of the Board of Directors and the Nomination Committee and remuneration to the members of the Board of Directors, the Nomination Committee and the Board Committees

Drammen, 28 April 2010
On behalf of the Board of Directors of Eltek ASA

Bengt Thuresson (sign.)
Chairman of the Board



Shareholders full name and address

Attachment 1

**NOTICE OF
ANNUAL GENERAL MEETING**

Annual General Meeting in Eltek ASA to be held on 20 May 2010 at 17:00 hours in Gråterudveien 8, Drammen, Norway

ATTENDANCE SLIP – ELTEK ASA – ANNUAL GENERAL MEETING

This Attendance Slip must be returned to Nordea Bank Norge ASA, Issuer Services no later than **16:00 hrs. (CET) on 19 May 2010**. Address: Nordea Bank Norge ASA, Issuer Services, P.O.Box 1166 Sentrum, N-0107 Oslo, Norway. Telefax: +47 22 48 63 49.

The undersigned will attend Eltek ASA's
Annual General Meeting on **20 May 2010** and

Shareholders full name and address.

vote for my/our shares

vote for shares in accordance with proxy(ies) enclosed

_____ Date

_____ Shareholder's signature

Your notice of attendance may also be made electronically. Please see our web-site www.eltek.com.

PROXY – ANNUAL GENERAL MEETING OF ELTEK ASA 20 MAY 2010

Shareholders who are not able to attend the Annual General Meeting on 20 May 2010 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 of Directors Bengt Thuresson or the person he appoints,
The CEO of Eltek ASA Rune Finne or the person he appoints, or

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 20 May 2010. 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 of Directors 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 Bengt Thuresson as Chairman of the Meeting				
3. Approval of the Notice and the Agenda				
5. Approval of the Annual Accounts and Report of the Board of Directors for the financial year 2009, including allocation of profit				
6. Approval of the remuneration to the Board of Directors, Nomination Committee, Board Committees and Auditor				
Approval of the remuneration to the Board of Directors for 2010				
Approval of the extraordinary remuneration to the Chairman of the Board for the period from August 2009 to 1 March 2010				
Approval of the remuneration to the Nomination Committee for 2009				
Approval of the remuneration to the Board Committees for 2009				
Approval of the remuneration to the Auditor				
7. Vote of the Statement from the Board of Directors of the principles for determination of the Remuneration to the Company's Executive Management				
8. Election of Members of the Board of Directors				
Chairman Bengt Thuresson (re-election)				
Member Birgitte F. Angellil (re-election)				
Member William H. Crown (re-election)				
Member Einar J. Greve (re-election)				
Member Arve Johansen (re-election)				
Member Astrid Kårstad (re-election)				
Member Dia S. Weil (re-election)				
9. Election of Members of the Nomination Committee				
Chairman Svein S. Jacobsen (re-election)				
Member William H. Crown (re-election)				
10. Authorizations to the Board of Directors to increase the share capital				
Authorization to increase the share capital				
Authorization to increase the share capital in connection with the Company's option program and the bonus scheme for members of Executive Management				

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

_____ Date _____ place _____ signature of the shareholder

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 of Directors, Bengt Thuresson, is elected to chair the Meeting.

Item 6. Remuneration to the Company's Board of Directors, Nomination Committee, Board Committees and Auditor

6.1 Remuneration to the Board of Directors

The fixed remuneration to the Board members for 2009 was approved in the General Meeting in 2009, and has been paid on a quarterly basis during 2009. The ordinary levels of the remuneration appear from the proposed remuneration for 2010, since these are not amended from 2009.

The Nomination Committee's proposals for an extraordinary remuneration to the Chairman of the Board of Directors for the period from late August 2009 to 1 March 2010 and the remuneration to the Board of Directors for 2010 are included as Attachment 3 hereto.

6.2 Remuneration to the Nomination Committee and the Board Committees

The Nomination Committee's proposals for remuneration to the members of the Nomination Committee and the Board Committees for 2009 are included as Attachment 3 hereto.

6.3 Remuneration to the Auditor

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

"Remuneration to the auditor for audit of the 2009 Annual Accounts for Eltek ASA of NOK 954,000 is approved."

Item 7. Consideration of the Statement by the Board of Directors of the principles for determination of remuneration to the Company's Executive Management, in accordance with Section 6-16a of the Norwegian Public Limited Liability Companies Act

The Board of Directors has issued the statement below regarding the principles for determination of the remuneration of the Management.

At the General Meeting, a consultative vote over this statement will be held.

Furthermore, the Board of Directors proposes that shares to be acquired by the Executive Management according to the Long term performance based incentive program described below may, as an alternative to acquisitions by participants in the scheme in the market, be made available by the Board of Directors through issuance of new shares at the market price of the shares pursuant to the authority described in item 10.2 below. In such event, the Board of Directors shall determine the market price for the Eltek share based on the share price quoted on the Oslo Stock Exchange after the Company's release of its quarterly accounts for the 4th quarter 2010. This element of the principles for remuneration of Executive Management of the Company will be subject to approval by the General Meeting.

Declaration of Eltek ASA's Executive Compensation policies for 2010

The Board of Directors has in accordance with Section 6-16a of the Norwegian Public Limited Liability Companies Act outlined policies regarding the compensation of the Executive Management of the Company.

The Company has designed its executive compensation program to comply with the guidelines set

forth below. The objective is to be able to attract, motivate, and retain the right people.

Executive compensation packages for 2010 comprise of three components:

- (a) base salary
- (b) annual performance based bonus
- (c) long-term performance based incentive program

(a) **Base Salary.** The Compensation Committee outlines the following factors for determination of base salaries for the Executive Team: (i) competitive pay practices, (ii) job scope and responsibility, and (iii) evaluation of Company and individual performance. Base salary is reviewed every 12 months. Base salary of executives who are promoted or change roles within the Executive Team may also be adjusted.

(b) **Annual performance based bonus.** Annual bonuses to the Executive Team will be linked to the performance of the Company, business unit, and the individual according to agreed criteria including operating profit and cash flow. The annual bonus is limited to the equivalent of 50% of the base salary.

(c) **Long term performance based incentive program.** The Board of Directors determines the yearly performance incentives for the Executive Team based on a combination of financial and qualitative criteria. Relevant measures considered by the Compensation Committee and the Board in defining and evaluating the Executive Team's performance include target achievement of: Revenue, operating profit and cash flow. Performance will be evaluated after year-end, when the financial performance is communicated to the market. The annual payout under the long-term incentive program is limited to the equivalent of 12 months base salary for the CEO and 4 months base salary for other members of the program. A minimum of 50% of the amount has to be invested in Eltek shares at market price. Such shares will be restricted for 24 months. If the individual resigns within the 24 months restricted period, she/he will be obliged to pay back the lower of the amount used for buying the shares and the total market value of the shares at such time.

Members of the Executive Team participate in the regular pension program available for all other employees in the location where they are based. Members of the Executive Team may receive other benefits in the form of allowances for housing, car, phone, etc that are appropriate for the Executive Team member.

The Company provides termination packages that are fair and reasonable, reflecting the tenure, roles, scope of responsibility and cause of termination, none of which includes severance pay of more than 12 months base salary.

The Executive Team will receive 12 months base salary compensation if there is a completed change in control of the company.

2009 Compliance

In 2009, the Executive Team received base salaries and bonuses in line with the Executive Compensation policy as adopted by the Annual General meeting in May 2009. Increases in base salary have been granted for a limited number of members of the Executive Team based on an evaluation of competitive pay practices and individual merit. Bonuses were linked to the performance of the Company, business unit and the individual, and have been paid out in accordance with criteria reflected in each individual's bonus scheme as agreed at the beginning of 2009.

Rune Finne, who was appointed new CEO in November 2009 and assumed the position 1 March 2010, has a compensation package in line with the Executive Compensation policies for 2010.

Item 8. Election of Members of the Board of Directors

The proposal by the Company's Nomination Committee is included as Attachment 3 hereto. It is proposed that all the current Board members are re-elected.

Item 9. Election of Members of the Nomination Committee

The proposal by the Company's Nomination Committee is included as Attachment 3 hereto. It is proposed that Svein S. Jacobsen, Chairman (re-elected) and William H. Crown (re-elected) are elected as members of the Nomination Committee.

Item 10. Authorizations to the Board of Directors to increase the share capital

At the Annual General Meeting held on 14 May 2009, the Board of Directors was granted an authorization to increase the share capital in connection with the Company's option program and Executive Management's performance based share purchase program by up to NOK 3,000,000. The authorization granted to the Board of Directors expires at the Annual General Meeting in 2010.

The Board of Directors proposes that the General Meeting grants the Board of Directors with the following two authorizations:

10.1. Authorization to increase the share capital

The Board of Directors proposes that it is granted the authority to increase the share capital by up to NOK 32,900,000, which constitutes approximately 10% of the current share capital, in order to be able to carry out acquisitions (which may also be structured as mergers), raise capital for such acquisitions or raise capital for the Company's day-to-day business. Due to the objective of the authorization, the Board of Directors must also be able to waive the shareholders' pre-emption right to the new shares.

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

"In accordance with Section 10-14 of the Norwegian Public Limited Liability Companies Act, the Board of Directors is granted authority to increase the Company's share capital by up to NOK 32,900,000. The authority is valid until the Annual General Meeting in 2011, but no longer than 30 June 2011. The Board of Directors may waive the shareholders' pre-emption right according to Section 10-4 of the Norwegian Public Limited Liability 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 Norwegian Public Limited Liability Companies Act. The authority also comprises capital increases in connection with mergers, cf. Section 13-5 of the Norwegian Public Limited Liability Companies Act."

10.2 Authorization to increase the share capital in connection with the Company's option program and the Executive Management's performance based share purchase program

Eltek ASA has previously issued stock options as part of the Company's compensation package to the employees. No stock options have been granted since 2008, and stock options are no longer part of the Company's compensation policy, but still the number of outstanding options as per today is 1,055,000. As it appears from item 10 above, the previous authorization to increase the share capital will expire at the Annual General Meeting in 2010 and in line with past practice the Board of Directors therefore asks for a new authority to cover outstanding options. As described in item 7 above, the Board of Directors also proposes that this authorization may be used to make shares available to the members of Executive Management who shall acquire shares at market price pursuant to the Long term performance based incentive program.

Therefore, the Board of Directors proposes that it is, in addition to the authority referred to under item 10.1 above, granted the authority to increase the share capital by up to an additional NOK 3,000,000, which constitutes approximately 0.9% of the Company's existing share capital, to be used in relation to the Company's option program and the Long term performance based incentive 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 authority, the Board of Directors must be able to waive the shareholders' pre-emption right to the new shares.

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

"In accordance with Section 10-14 of the Norwegian Public Limited Liability Companies Act, the Board of Directors is granted authority to increase the Company's share capital by up to NOK 3,000,000 in connection with the Company's option program and the management performance based share purchase program. The authority is valid until the Annual General Meeting in 2011, but no longer than 30 June 2011. The Board of Directors may waive the shareholders' pre-emption right according to Section 10-4 of the Norwegian Public Limited Liability Companies Act. The authority does not comprise share capital increases against contribution in kind etc, cf. Section 10-2 of the Norwegian Public Limited Liability Companies Act. The authority does not comprise share capital increases in connection with mergers, cf. Section 13-5 of the Norwegian Public Limited Liability Companies Act."

RECOMMENDATIONS FROM THE NOMINATION COMMITTEE REGARDING ELECTION OF MEMBERS OF THE BOARD OF DIRECTORS AND THE NOMINATION COMMITTEE AND REMUNERATION TO THE MEMBERS OF THE BOARD OF DIRECTORS, THE NOMINATION COMMITTEE AND THE BOARD COMMITTEES

1. REGARDING ELECTION OF MEMBERS OF THE BOARD OF DIRECTORS AND THE NOMINATION COMMITTEE

1.1 Election of Members of the Board of Directors

The Nomination Committee has considered the composition of the Board of Directors in four meetings following the last General Meeting. The Nomination Committee has in its work engaged in conversations with representatives of the largest shareholders of Eltek ASA.

The Nomination Committee's recommendation is based on that two of the Board members (Bengt Thuresson and Einar Greve) were elected as new Board members last year, and the Nomination Committee is of the opinion that it is desirable with continuity of the existing Board. The Nomination Committee therefore proposes that the current Board members are re-elected at the Annual General Meeting to be held on 20 May 2010 and that the Board will continue to consist of the following members:

- Bengt Thuresson, Chairman
- Birgitte F. Angelil, member
- William H. Crown, member
- Einar J. Greve, member
- Arve Johansen, member
- Astrid Kårstad, member
- Dia S. Weil, member

The term of office shall be one year, until the Annual General Meeting in 2011.

1.2 Election of Members to the Nomination Committee

Alain F. Angelil withdrew from the Nomination Committee in the autumn of 2009. The remaining two members of the Nomination Committee are both willing to continue as members of the Committee, and the Committee consider two members to be adequate to perform its duties. Thus, the Nomination Committee proposes that the following Nomination Committee is elected:

- Svein S. Jacobsen, Chairman
- William H. Crown, member

The term of office shall be one year, until the Annual General Meeting in 2011.

2. REGARDING REMUNERATION TO THE MEMBERS OF THE BOARD OF DIRECTORS, THE NOMINATION COMMITTEE AND THE BOARD COMMITTEES

2.1 Remuneration to the Board of Directors

The fixed remuneration to the Board members for 2009 was approved by the Extraordinary General Meeting in February 2009, and has been paid on a quarterly basis during 2009. The ordinary levels of the remuneration appear from the proposed remuneration for 2010, since these are not amended from 2009.

In addition, the Nomination Committee proposes that the Chairman of the Board receives an extraordinary remuneration for 2009. The reason is that, due to the managerial challenges the Company faced during the period from late August 2009 to 1 March 2010, when a new permanent CEO assumed his position, the workload for the Chairman of the Board has been extensive. In the General Meeting 5 February 2009, it was resolved that the Chairman of the Board for such

extraordinary work could receive an additional fee of up to 50% of the fixed fee, conditional of approval by the Annual General Meeting. Thus, the Nomination Committee proposes that the General Meeting adopts the following resolution regarding an extraordinary remuneration to the Chairman of the Board:

“An extraordinary remuneration of NOK 300,000 shall be paid to the Chairman of the Board, Bengt Thuresson, for the additional work conducted by him as a result of the managerial challenges the Company faced from late August 2009 to 1 March 2010, when the new CEO started his tenure.”

The Nomination Committee proposes the following remuneration to the Board of Directors for 2010 (same level as for 2009):

- Chairman: Annual fee of NOK 720,000. In addition, remuneration up to 50% of the fixed fee for extraordinary work to be approved by the Annual General Meeting.
- Board members elected by the shareholders: Annual fee of NOK 360,000.
- Board members elected by the employees: Annual fee of NOK 200,000.

In addition, Board members shall be remunerated for operational engagements not included in ordinary Board work. Such engagements will be approved by the Board of Directors/CEO.

The fixed fee to the Board of Directors shall be paid on a quarterly basis. Board members serving for part of a year shall receive a proportionate part of the remuneration.

2.2 Remuneration to the Nomination Committee and the Board Committees

The Nomination Committee proposes that the General Meeting adopts the following resolution regarding remuneration to the members of the Nomination Committee and the Board Committees for 2009:

“Remuneration shall be paid to the three members of the Nomination Committee for 2009 with NOK 130,000, NOK 112,000 and NOK 80,000, respectively. The remuneration is based on the number of meetings attended, in addition to a fixed fee of NOK 50,000 to the two committee members not serving on the Board of Directors.”

“Remuneration shall be paid to each of the two members of the Compensation Committee for 2009 with NOK 30,000, based on the numbers of meetings the members have attended. Remuneration for work in the Audit Committee for 2009 shall be paid with NOK 90,000 to each of the two members of the Committee, based on the numbers of meetings the members have attended.”