

## NOTICE OF ANNUAL GENERAL MEETING

OF

### NORWEGIAN AIR SHUTTLE ASA

The Annual General Meeting of Norwegian Air Shuttle ASA will commence at the following place and time:

Place: The Company's headquarters at Oksenøyveien 3, Fornebu, Norway  
Date: Wednesday, May 11<sup>th</sup>, 2011  
Time: 5:00 PM

The Board of Directors has proposed the following agenda:

1. Opening of the General Meeting by the Chairman of the Board, Bjørn H. Kise
2. Election of a meeting chairperson
3. Election of person to co-sign the minutes together with the chairperson
4. Approval of the notice and the agenda
5. The management's report on the state of the company
6. Approval of the annual report and annual accounts for 2010. The Board recommends that no dividend be paid.
7. The Board of Directors statement on the management compensation policy
8. Election/Re-election of Board Members
9. Fees for members of the Board
10. Fees for the Auditor
11. Authorisation of the Board of Directors to acquire treasury shares
12. Authorisation of the Board of Directors to increase the company's share capital
13. Authorization of fourteen day notice for Extraordinary General Meetings
14. Guidelines for the duties of the election committee
15. Shareholder proposal; amendment of § 8 of the articles of association

**Shareholders are entitled to attend and vote at the General Meeting only when their acquisition of shares has been entered in the register of shareholders by no later than the fifth business day prior to the General Meeting (the record date - May 4<sup>th</sup> 2011). Shares registered in a nominee account do not have voting rights. Shareholders who own shares through nominee accounts must transfer the shares to their own VPS account before the record date in order to exercise voting rights.**

Shareholders who wish to attend the Annual General Meeting in person or by proxy are kindly asked to notify DnB NOR Bank ASA, Verdipapirservice, NO-0021 Oslo. Notification must be received by Verdipapirservice by 12:00 noon, Tuesday, May 10<sup>th</sup>, 2011. Kindly use the enclosed registration form/proxy. Registration can also be made by fax +47 22 48 11 71, electronically via investor services (investortjenester) or via [www.norwegian.com](http://www.norwegian.com) by the same deadline. The annual report and this notice are available on the Internet, [www.norwegian.com](http://www.norwegian.com) or via investor services.

The annual report for 2010 is available at [www.norwegian.com/annualreport2010](http://www.norwegian.com/annualreport2010)

March 30<sup>th</sup>, 2011

Bjørn H. Kise  
Chairman of the Board

#### **ITEM 8: ELECTION OF BOARD MEMBERS**

Please see Enclosure 1 for the complete recommendations from the Election Committee. The Election Committee recommends no changes to the composition of the Board of Directors. The Board members for re-election are:

- Ola Krohn-Fagervoll (Deputy Chairman)
- Liv Berstad
- Marianne Wergeland-Jenssen

#### **ITEM 11: AUTHORISATION OF THE BOARD OF DIRECTORS TO ACQUIRE TREASURY SHARES.**

The Board is of the opinion that it should be authorised to acquire treasury shares. The authorisation may, as an example, be used in connection with employee incentive schemes. The Board currently has an authorisation valid until November 2011. It is preferable that the authorisation to acquire treasury shares be co-ordinated by the Annual General Meeting. Further, it is in keeping with applicable corporate governance policies that such authorisations are evaluated by the General Meeting on an annual basis.

The Board therefore has decided to propose the following to the General Meeting:

“The General Meeting authorises the Board of Directors to acquire treasury shares on the following conditions:

- a. The authorisation shall be valid for a period of 18 months reckoned from the date of the General Meeting’s resolution.
- b. The Company may acquire a total number of treasury shares with a nominal value of NOK 345,733, i.e. a total of 3,457,533 shares, each with a nominal value of NOK 0.10. However, the Company may at no time hold/own treasury shares with a nominal value in excess of 10 per cent of the Company’s registered share capital.
- c. The highest price that may be paid per share is NOK 500
- d. The lowest price that may be paid per share is NOK 0.1.
- e. The Board is free with regard to the manner of acquisition and any subsequent disposal of the shares.”

#### **ITEM 12: AUTHORISATION OF THE BOARD OF DIRECTORS TO INCREASE THE COMPANY’S SHARE CAPITAL.**

At the Annual General Meeting on May 11, 2010, the Board was granted authorisation to increase the Company’s share capital by up to 15 per cent of the Company’s share capital. The authorisation runs until May 11, 2012.

The resolution was based on an assessment of commercial opportunities that might require the use of such an authorisation, and the need for such an authorisation going forward in connection with e.g. the Company’s existing incentive schemes. The Company has issued 363,474 shares in a voluntary share option program for employees in which salaries were reduced in exchange for share options. In all, the company has exhausted 7 %of the authorisation granted last year.

It is in keeping with applicable corporate governance policies that authorisations of the type discussed under Item 11 are evaluated by the General Meeting on an annual basis. The Board is of the opinion that it should have authorisation to increase the company’s share capital, as such authorisation gives the Board the necessary flexibility and is time- and cost-efficient in the event of possible future increases in share capital. To maintain the desirable degree of flexibility the Board recommends replacing the existing authorisation with a new one, replacing the exhausted portion of last year’s authorisation. The authorisation may also be used in connection with existing employee incentive schemes. The authorisation should also encompass future incentive schemes.

On this basis, the Board requests being granted a new authorisation limited to a maximum issue of new shares corresponding to 15 per cent of the Company's existing share capital, until May 2013. The proposed authorisation will supersede the current one.

The Board has therefore decided to propose the following to the General Meeting:

The General Meeting authorises the Board of Directors to increase the company's share capital on the following conditions:

- a. The Board is granted authorisation to increase the company's share capital by up to NOK 518,600 by issuing up to 5,186,000 shares, each with a nominal value of NOK 0.10, at a price and on other subscription terms to be stipulated by the Board. Increases within these limits may take place in one or more subscriptions, as per the Board's decision.
- b. This authorisation is valid for two years from the date of the General Meeting.
- c. The Board may depart from the shareholders' pre-emption right to subscribe for the new shares pursuant to Section 10-4 of the Public Limited Companies Act.
- d. The authorisation shall also cover a capital increase against non-cash contributions and the right to impose special obligations on the Company, as mentioned in Section 10-2 of the Public Limited Companies Act. The authorisation also includes a merger resolution pursuant to Section 13-5 of the Public Limited Companies Act.
- e. The shares will be entitled to dividends as from the time they are registered in the Norwegian Register of Business Enterprises.
- f. This authorisation supersedes current authorisations to increase the company's share capital.

**ITEM 13: AUTHORISATION OF FOURTEEN DAY NOTICE FOR EXTRAORDINARY GENERAL MEETINGS**

An extraordinary general meeting may be called with fourteen days' notice rather than the Act's ordinary 21 days, if this is approved by a 2/3 majority of the General Meeting, provided that the Board decides that shareholders may attend the General Meeting with the aid of electronic devices, cf. Section 5-8a of the Public Limited Companies Act. The decision remains in force until the next Annual General Meeting.

The Board is of the opinion that a fourteen day notice deadline will ensure the degree of flexibility that is desirable for the Company.

The Board therefore proposes that the General Meeting approve the following resolution:

"Ekstraordinær generalforsamling kan innkalles med 14 dagers varsel, dersom styret beslutter at aksjeeierne skal kunne delta på generalforsamling ved bruk av elektroniske hjelpemidler, jf. allmennaksjelovens § 5-8a.

[An Extraordinary General Meeting may be called with fourteen days' notice, if the Board decides that the shareholders may attend the General Meeting with the aid of electronic devices, cf. Section 5-8a of the Public Limited Companies Act.

**ITEM 14: GUIDELINES FOR THE DUTIES OF THE ELECTION COMMITTEE**

Please see Enclosure 2 for the proposed guidelines for the duties of the election committee to be resolved by the Annual General Meeting.

**ITEM 15: SHAREHOLDER PROPOSAL; AMENDMENT OF § 8 OF THE ARTICLES OF ASSOCIATION**

The Board has received a proposal from a group of shareholders (Awilco Invest AS, Skagen AS and Holberg Fondsforsvaltning AS) to amend Article 8 of the companies' Articles of Association concerning the election committee. As per the Public Limited Liability Companies Act section 5-11, all shareholders have a right to file proposals to be considered by the shareholders' meeting, accordingly the proposal is passed on by the board for the ultimate decision by the shareholders meeting.

The board of directors has considered the proposal to amend the articles of association. The reason given for the proposal is to ensure necessary independency of the election committee. The board welcomes active shareholder participation and discussion regarding the company and its organization, including a critical review of the functioning of the various corporate bodies of the company.

However, for the time being, the board does not recommend a change of § 8 of the articles of association.

It is acknowledged that certain aspects of § 8 deviates from the current NUES recommendations concerning code of practice for corporate governance, however, this deviation is in the opinion of the board of directors in the best interest of the company as it is intended to ensure the recruitment of nominees with the necessary expertise, experience and capacity considered vital for a company operating in the highly competitive airline industry. In accordance with Oslo Stock Exchange regulations this deviation is explained in the corporate governance chapter of the company's annual report, quote:

*"The Board of Directors recommends deviating from the Code of Practice for Corporate Governance as the Chairman of the Board is a permanent member of the committee. This is to ensure that nominees meet the requirements for expertise, capacity and diversity set forth by the board members."*

(Annual report 2009)

The full text of the proposal from the shareholders is set forth below:

"Undertegnede (LES: Awilco Invest AS, Skagen AS og Holberg Fondsforvaltning AS) fremmer med dette forslag om endring av selskapets vedtekter § 8, for å sikre nødvendig uavhengighet i valgkomiteen.

Vedtektene § 8 lyder i dag:

*"Selskapet skal ha en valgkomité. Valgkomiteens oppgaver er å avgi innstilling til generalforsamlingen om valg av aksjonærvalgte medlemmer og varamedlemmer til styret. Valgkomiteen består av fire medlemmer som skal være aksjeeiere eller representanter for aksjeeiere. Styrets leder er fast medlem og leder av valgkomiteen, mens de tre øvrige medlemmene velges av generalforsamlingen. Valgkomiteens medlemmer velges for to år av gangen."*

*[The Company shall have an Election Committee. The duty of the Election Committee is to make recommendations to the General Assembly on nominations for candidates to be elected by the shareholders as Members and Deputy Members of the Board, The Election Committee shall consist of four members, and its members shall be shareholders or representatives of shareholders, The Chairman of the Board of Directors shall be a permanent member and Chairman of the Election Committee, and the three other members shall be elected by the General Assembly. Elected members of the Election Committee shall be elected for a two- year period. ]*

Dette foreslås endret som følger:

*"Selskapet skal ha en valgkomité. Valgkomiteens oppgave er å avgi innstilling til generalforsamlingen om valg av aksjonærvalgte medlemmer og varamedlemmer til styret. Valgkomiteen består av fire medlemmer som skal være aksjeeiere eller representanter for aksjeeiere. Ett styremedlem kan være medlem av valgkomiteen. Styremedlemmer kan ikke fungere som valgkomiteens leder. Valgkomiteens medlemmer velges av generalforsamlingen. Valgkomiteens medlemmer velges for to år av gangen."*

*[The Company shall have an Election Committee. The duty of the Election Committee is to make recommendations to the General Assembly on nominations for candidates to be elected by the shareholders as Members and Deputy Members of the Board. The Election Committee shall consist of four members, and its members shall be shareholders or representatives of shareholders. One member of the Board of Directors may be member Of the Election Committee. A member of the Board of Directors may not chair the Election Committee. The members of the Election Committee shall be elected by the General Assembly. Elected members of the Election Committee shall be elected for a two-year period.]*

ENCLOSURE 1

## **Recommendations from the Election Committee to the Annual General Meeting May 11 2011**

### **1) Mandate**

The Election Committee has a mandate which is described in the articles of association; § 8, which state that:

“The Company shall have an Election Committee. The duty of the Election Committee is to make recommendations to the General Assembly on nominations for candidates to be elected by the shareholders as Members and Deputy Members of the Board. The Election Committee shall consist of four members, and its members shall be shareholders or representatives of shareholders. The Chairman of the Board of Directors shall be a permanent member and Chairman of the Election Committee and the three other members shall be elected by the General Assembly. Elected members of the Election Committee shall be elected for a two-year period. “

### **2) Composition of the Board of Directors**

The Board of Directors of Norwegian Air Shuttle ASA currently has the following composition of shareholder elected members:

Bjørn H. Kise	Chairman of the Board
Ola Krohn-Fagervoll	Deputy Chairman
Liv Berstad	Board member
Marianne W. Jenssen	Board member

The election committee has found that the board functions well collectively. In order to maintain the necessary expertise, experience and capacity in the very competitive and demanding aviation industry, the election committee has found that it will be in the company's best interests to recommend that the board members Ola Krohn-Fagervoll, Marianne Wergeland Jenssen and Liv Berstad are re-elected.

### **3) Remuneration**

There has been input from shareholders in the company that the fees to members of the company's board are too low. Particularly seen in relation to the fact that the fee covers work on both the board and the audit committee. The board has many long meetings during the course of the year and the items discussed are often complex, requiring considerable preparation and review of documents.

The election committee therefore proposes that the fees to the board for 2010 are fixed as follows:

	2010	2009
• Chairman of the Board	NOK 350,000	(175,000)
• Deputy Chairman of the Board	NOK 225,000	(150,000)
• Members of the Board	NOK 175,000	(100,000)
• Employee Representatives	NOK 35,000	( 35,000)

Oslo, April 7 2010

Bjørn H. Kise  
Chairman of the Election Committee

**INSTRUCTIONS FOR THE ELECTION COMMITTEE**  
**OF**  
**NORWEGIAN AIR SHUTTLE ASA**

**1. Tasks**

The election committee's task is to give the Annual General Meeting its proposals regarding:

- election of candidates to the board and fees
- election of candidates to the election committee and fees
- any additional fees to sub-committees under the board, including the audit committee

**2. Composition, election and fees**

- 2.1 The election committee is composed and elected as stated in the company's articles of association.
- 2.2 The composition of the election committee shall ensure that the committee's proposals for candidates satisfy the board's need for expertise, knowledge of the industry and diversity. Its composition shall also reflect the ownership situation of the company and safeguard the interests of the shareholders.
- 2.3 Members of the election committee are normally elected for 2 years at a time. Re-election is possible.
- 2.4 The annual general meeting determines the fees to the election committee. The election committee's costs are borne by the company.

**3. Rules for the procedure**

- 3.1 The chair of the election committee is responsible for the committee's work. In its work, the election committee may contact shareholders, the board, general management and external consultants, among others.
- 3.2 Information about the final date for shareholders to present proposals to the annual general meeting for candidates to the board and the election committee shall be placed on the company's website.
- 3.3 The election committee should ensure that its recommendations are endorsed by the largest shareholders.
- 3.4 Meetings of the election committee are held when called by the chair of the committee and also when two or more other members of the committee request it. The chair of the committee considers whether physical meetings shall be held, or if meetings may be held in another way.

- 3.5 Minutes of the election committee's meetings shall be kept and signed by all members present at the meeting.
- 3.6 The election committee shall place emphasis on ensuring that the proposed candidates have the necessary experience, expertise and capacity to perform their duties in a satisfactory manner, and that appropriate changes are made in the relevant duties. Reasonable representation with regard to gender and background shall also be emphasised. Attention shall also be paid to ensuring that the board shall function as a collegiate body.
- 3.7 A summary of the board's evaluation work shall be discussed by the election committee.
- 3.8 The candidates who are proposed by the election committee must be willing to undertake the duties for which they have been proposed.

#### **4. Procedure for the election committee's proposals**

- 4.1 The proposals should include relevant information about the candidates, about the composition of the board and about the candidates to the election committee. The proposals should include information about the candidates' expertise, capacity and independence. Information about the board members should include age, education and professional experience. Information should be given about how long they have been members of the company's board, about any assignments for the company and about significant assignments for other companies and organisations. In the case of a proposal for re-election, the proposal may refer to information in the annual report.
- 4.2 The election committee's proposals to the annual general meeting should be ready early enough to be sent to shareholders together with the announcement of the annual general meeting.
- 4.3 The election committee's proposals shall be made public.
- 4.4 The chair of the election committee, or the person he or she nominates, presents the proposal to the annual general meeting, together with an account of the committee's work and the reasons for its proposals.

Adopted 11 May 2011