

## **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: Tuesday, May 11, 2009

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 2009. The Board recommends that no dividend be paid.
7. The Board of Directors statement on the management compensation policy
8. Fees for members of the Board
9. Fees for the Auditor
10. Audit Committee – amendment of Articles of Association
11. Election/Re-election of Board Members
12. Election/Re-election of Election Committee
13. Authorisation of the Board of Directors to acquire treasury shares
14. Authorisation of the Board of Directors to increase the company's share capital
15. Exception from the mandatory requirement to distribute physical documents – amendment of Articles of Association
16. Implementation of fourteen days notice' for Extraordinary General Meetings
17. Implementation of a record date – amendment of Articles of Association
18. Consideration of an option to acquire the property at Oksenøyveien 3

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, Monday, May 10, 2009. 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 2009 is enclosed with this notice. An interactive web version is available at [www.norwegian.com/annualreport2009](http://www.norwegian.com/annualreport2009).

April 14, 2010

Bjørn H. Kise  
Chairman of the Board

## **ITEM 10: AMENDMENT OF ARTICLES OF ASSOCIATION - ELECTION OF AUDIT COMMITTEE**

New rules pertaining to audit committees entered into force on July 1, 2009. The obligation to elect an audit committee shall apply after the next ordinary election of Board members, though no later than June 30, 2010.

The audit committee is a preparatory and advisory working committee for the board. The committee's paramount function is to undertake independent monitoring and the company's financial reporting and control systems. The members of the audit committee are to be elected by and from among the members of the board.

Companies may decide that the board as a whole shall function as an audit committee pursuant to a provision of the articles of association, cf. Section 6-42 (3) of the Public Limited Companies Act: If board members are also senior executives, they may not be elected to the audit committee, cf. Section 6-42 (3).

In the view of the Board of Norwegian Air Shuttle ASA, the most appropriate for the company is for the Board as a whole to function as the Company's Audit Committee.

The Board recommends that the General Meeting approve the following resolution:

The following provisions shall be inserted into the Articles of Association as a new Article 9 – Audit Committee:

"Det samlede styret skal fungere som selskapets revisjonsutvalg."

[The Board of Directors as a whole shall function as the Company's Audit Committee.]

## **ITEM 11: 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:

- Bjørn H. Kise (Chairman)

## **ITEM 12: ELECTION OF ELECTION COMMITTEE**

In accordance with the company's Articles of Association and in line with the Norwegian Code of Practice for Corporate Governance the Election Committee of Norwegian Air Shuttle ASA shall comprise the Chairman of the Board and three members elected by the General Meeting. The three elected members may not be part of executive management or members of the Board of Directors, and they must be shareholders or represent shareholders. The members of the Nomination Committee are elected for a period of two years.

The present committee was elected in 2008. A new committee must be elected/re-elected by the General Meeting. The Board of Directors recommends replacing Øystein Stephansen with Johan Aasen. Mr. Stephansen cannot be re-elected as he has been acting on behalf of Vital Forsikring, where he has terminated his employment.

### 1) Johan Aasen

Mr. Johan Aasen is proposed as a member of the committee acting on behalf of Skagen Fondene where Mr. Aasen is a wealth manager. Johan Aasen is MBA from The Norwegian School of Economics and Business Administration and authorized financial analyst (AFA). Before joining SKAGEN, Mr Aasen has held positions as financial analyst and institutional sales manager in leading Nordic investment banks. Skagen Fondene holds 2 902 600 shares in the company.

### 2) Inga Lise Lien Moldestad

Ms. Moldestad is proposed for election to the committee, acting on behalf of Holberg Fondsforvaltning AS where Ms. Moldestad is Deputy Chief Executive Officer. Inga Lise Lien Moldestad is a state authorized

public accountant with in-depth experience in the finance sector. She has also held a variety of directorships. Holberg Fondsforvaltning AS holds 896,100 shares in the company.

### 3) Sven Fermann Hermansen

Sven Fermann Hermansen is a shareholder and pilot in the company. Mr. Hermansen holds 71 shares in the company.

## **ITEM 13: 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 2010. 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 342,098, i.e. a total of 3,420,986 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 14: AUTHORISATION OF THE BOARD OF DIRECTORS TO INCREASE THE COMPANY’S SHARE CAPITAL.**

At the Annual General Meeting on May 13, 2009, 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 13, 2011.

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 undertaken a MNOK 251 private placement, issuing 1,620,200 new shares, and has also issued 230,080 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 38% of the authorisation granted last year.

It is in keeping with applicable corporate governance policies that authorisations of the type discussed under Item 12 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 2012. 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 513,148 by issuing up to 5,131,479 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 15: AMENDMENT TO ARTICLES OF ASSOCIATION - EXEMPTION FROM THE MANDATORY REQUIREMENT TO DISTRIBUTE PHYSICAL DOCUMENTS**

In 2009 amendments were made to the Limited Liability Companies Act and Public Limited Companies Act whose primary purpose was to bolster shareholder democracy by increasing the information to shareholders by making it easier to attend general meetings, for example.

A number of these changes are optional and they require that the Company decide on the available alternatives.

The Company is currently obliged to send out all information for the General Meeting in physical form. If the General Meeting approves exemptions to this statutory provision, it means that the Company will not be obliged to send out annual reports, merger/demerger plans, etc., to all shareholders. This will result in significant savings in printing costs, handling and postage. This will also free up resources in the organisation. All required and necessary information will be made available on the Company website in accordance with the Act in other respects.

The Board has therefore decided to propose the following resolution to be resolved by the General Meeting. The General Meeting approves inserting the following in the Articles of Association as a new Article 10:

"Når dokumenter som gjelder saker som skal behandles på generalforsamlingen, er gjort tilgjengelige for aksjeeierne på selskapets nettsider, gjelder ikke lovens krav om at dokumentene skal sendes til aksjeeierne. En aksjeeier kan likevel kreve å få tilsendt dokumenter som gjelder saker som skal behandles på generalforsamlingen."

[When documents pertaining to business to be dealt with by the General Meeting are made available to shareholders on the Company website, the requirement of the Act for the documents to be sent to the shareholders shall not apply. Nevertheless, a shareholder may request to have documents sent to him that pertain to business to be dealt with by the General Meeting.]

**ITEM 16: IMPLEMENTATION OF A FOURTEEN DAY NOTICE FOR EXTRAORDINARY GENERAL MEETINGS**

In 2009 amendments were made to the Public Limited Companies Act whose primary purpose was to bolster shareholder democracy by increasing the information to shareholders by making it easier to attend general meetings, for example.

A number of these changes are optional and they require that the Company decide on the available alternatives.

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 17: AMENDMENT OF ARTICLES OF ASSOCIATION - IMPLEMENTATION OF RECORD DATE**

In 2009 amendments were made to the Limited Liability Companies Act and Public Limited Companies Act whose primary purpose was to bolster shareholder democracy by increasing the information to shareholders by making it easier to attend general meetings, for example.

A number of these changes are optional and they require that the Company decide on the available alternatives.

The record date means that the Company may set a date by which an acquisition of shares must be entered in VPS before the shareholder may exercise the right to attend and vote at the General Meeting. This date is called the record date. This date must be the fifth business day before the General Meeting. This must be disclosed in the notice of the meeting.

A shareholder may not document an acquisition at the actual General Meeting. This means that a shareholder may not invoke the right to vote e.g. if he brings along a contract note. Instead, the acquirer must conclude a voting right agreement with the seller who is registered with VPS on the record date. This guards against double representation.

Shares registered in a nominee account do not have voting rights. Shareholders who own share through nominee accounts must transfer the shares to their own VPS account in order to exercise voting rights. Nominees who wish to exercise voting rights must transfer the shares to their own VPS account. This means that shares registered in the name of a nominee must be transferred by the record date.

The Board deems that implementing a record date will be practical and clarify matters. The Board therefore proposes to the General Meeting that the following be inserted in the Articles of Association as a new Article 11:

“Aksjeeiere har kun rett til å delta og stemme på generalforsamlingen når aksjeervervet er innført i aksjeeierregisteret senest den femte virkedagen før generalforsamlingen (registreringsdatoen).”

[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).

**ITEM 18: CONSIDERATION OF AN OPTION TO ACQUIRE THE PROPERTY AT OKSENØYVEIEN 3**

On February 22, 2010, Norwegian signed a lease agreement for new premises in Oksenøyveien 3 in Fornebu. The lessor is the company Fornebu Næringseiendom 1 AS, owned by HBK Invest AS, which is also a shareholder in Norwegian. As the leasing of premises is regarded as an ordinary commercial contract, the Board has concluded that the lease agreement does not require the approval of the General Meeting, cf. Section 3-8 of the Public Limited Companies Act. A condition for omitting consideration by the General Meeting is that the lease has been entered into on ordinary commercial terms, cf. Section 3-8 (1) no. 4. The Board obtained two independent external evaluations of the commercial terms and conditions of the lease agreement, from Akershus Eiendom AS and DTZ AS, respectively. Both evaluations conclude that the agreed level of rent is lower than or in the lower stratum of what may be regarded as market rent for similar premises/locations. The lease agreement began to run on 15 March 2010, and the organisation was in place and operative by the end of March. had moved in and was in place in the new premises starting in April.

Subsequent to signing the lease agreement, the lessor, HBK Invest AS, offered Norwegian an option to purchase the property. According to the purchase option, which in the event must be exercised by the General Meeting, Norwegian may purchase the property based on a property value of MNOK 175, the same amount as the agreed property value in connection with HBK Invest AS's prior purchase of the property from Norwegian Property ASA. In addition, Norwegian will have to compensate HBK Invest AS for actual transaction costs in the prior transaction. Norwegian may choose to purchase the property directly or to purchase the holding company; dependent on the transaction form chosen, ordinary market practice regarding property transactions requires an adjustment for tax benefit/disadvantage. In other respects, any purchase shall take place on ordinary market terms for property transactions. The purchase is subject to final contract. The option requires that Norwegian purchase the property to own it outright, i.e., as an alternative to leasing. The grantor of the option has reserved for itself a right of repurchase on the same terms if the property is sold on within five years.

The Board has evaluated the purchase option compared with the already signed lease agreement. The Board is of the opinion, as a matter of policy, that Norwegian's capital investment should primarily be within the company's core business. The lease agreement was concluded on the basis of this assessment.

The Board has also considered whether the company might purchase the property in order to sell it on if this yields a profit. However, the purchase option that Norwegian has been granted requires an outright ownership of the property, and the grantor of the option has reserved for itself a right of repurchase in the event of a further sale within five years. In the Board's view, it cannot be ruled out that such a transaction could generate a profit for the company; this depends, however, on the performance of the commercial property market over a relatively long period. Thus, such a transaction would involve a market risk. The Board's view is that such a transaction lies outside the company's core business and area of expertise and that the company ought to continue its focus on further investments and development within its core area of business. In the opinion of the Board, the property market is not an area where it makes sense for the company to assume risk.

The Board is satisfied that the company has in place a long-term lease agreement with a favourable level of rent. The Board would request that the shareholders give their endorsement to the Board's assessment by refraining from exercising the purchase option.

If the General Meeting wishes for the purchase option to be exercised, the Board will formally negotiate a final purchase agreement with HBK Invest AS. In the event, this purchase agreement, along with an independent assessment of the purchase agreement, will be submitted to an Extraordinary General Meeting for final approval, cf. Section 3-8 of the Public Limited Companies Act.

The General Meeting is requested to elect one of the following alternatives:

- Alt. A:** The purchase option on Oksenøyveien 3 shall not be exercised.
- Alt. B:** The Board is instructed to exercise the purchase option and negotiate an agreement to purchase the property Oksenøyveien 3. A final agreement will be submitted to an extraordinary General Meeting for approval.

## ENCLOSURE 1

### Recommendations from the Election Committee to the Annual General Meeting May 11 2010

#### 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
Liv Berstad	Board member
Ola Krohn-Fagervoll	Board member
Marianne W. Jenssen	Board member

All board members are elected for a two year period.

Bjørn H. Kise, the Chairman of the Board, is up for re-election this year.

The election committee has emphasized continuity as well as the overall composition of expertise, capacity and diversity. The Board's internal evaluation shows that the shareholder elected board members cooperate well and that the individual board members have familiarized themselves well with the company's operations and strategic challenges.

Mr. Kise withdrew from the meeting for the Election Committee to evaluate his re-election candidacy. The Election Committee unanimously recommends that Mr. Kise is re-elected for a period of two years.

One shareholder has proposed a new candidate to the board of directors. The election committee has carried out an examination of the candidate's experience, skills and competencies in light of the boards current capabilities and potential future needs.

The election committee found the candidate to be highly skilled and competent within the candidate's area of expertise however not a resource that to a sufficient degree would strengthen and complement the boards current capabilities and meet potential future needs. Based on this evaluation the election committee decided not to nominate the proposed candidate for election to the board of directors.

#### 3) Remuneration

The Election Committee recommends that the remuneration of the Board of Directors for the period 2009 remains unchanged from the previous period. The Chairman of the Board is also board member in the fully owned company Call Norwegian AS which is reflected in his total remuneration. The Election Committee proposes the following remuneration scheme to the Annual General Meeting:

Chairman of the Board:	NOK 193,000
Resigned Chairman	NOK 150,000
Board members	NOK 100,000
Employee representatives	NOK 35,000

The Election Committee furthermore recommends remunerating the Chairman of the Election Committee and its individual members NOK 10,000.

Oslo, April 16 2010

Bjørn H. Kise  
Chairman of the Election Committee