

## 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 9<sup>th</sup>, 2012

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. The management's statement regarding corporate governance principles
7. Approval of the annual report and annual accounts for 2011. The Board recommends that no dividend be paid.
8. The Board of Directors statement on the management compensation policy
9. Election/Re-election of Board Members
10. Election/Re-election of members of the election committee
11. Fees for members of the Board
12. Fees for the Auditor
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. Authorization of fourteen day notice for Extraordinary General Meetings
16. Amendment of articles of association – time limit to call Annual General Meeting

**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 2<sup>nd</sup> 2012). 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 Bank ASA, Verdipapirservice, NO-0021 Oslo. Notification must be received by Verdipapirservice by 12:00 noon, Tuesday, May 8<sup>th</sup>, 2012. 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 2011 is available at [www.norwegian.com/annualreport2011](http://www.norwegian.com/annualreport2011)

March 28<sup>th</sup>, 2012

Bjørn H. Kise  
Chairman of the Board

The Shareholders have certain statutory rights in connection with the shareholders' meeting, including:

- Right to attend at the meeting, either in person or by proxy.
- Right to speak at the meeting
- Right to be assisted by an advisor and to give the advisor right to speak
- Right to have the board members and the general manager to provide information regarding (1) the annual report and annual accounts, (2) other issues on the agenda and (3) the company's financial position, save for the exemptions provided by the public companies act section 5-15.
- Right to propose resolutions to the items on the agenda.
- Right to have proposals addressed by the shareholder's meeting that the shareholder has notified in writing in due time before the deadline for summoning of the shareholders meeting (21 days), provided that the proposal for a resolution or an explanation of the reasons why the item is proposed for the agenda is presented within said time limits. If the shareholders meeting has already been summoned, it shall be summoned again unless the deadline has expired, cf. public companies act 5-11.

#### **ITEM 6: MANAGEMENT STATEMENT REGARDING CORPORATE GOVERNANCE**

The company shall provide a statement with regard to corporate governance principles, cf. the accounting act section 3-3 b). The statement is included in the Annual report. The shareholders meeting shall review and process this statement, cf. the public companies act section 5-6, 4th paragraph.

#### **ITEM 9: 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)

The election committee proposes no changes to the remuneration to the board members.

#### **ITEM 10: 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 2010. A new committee must be elected/re-elected by the General Meeting.

The committee proposes the following new committee member:

##### 1) Geir Tjetland

Geir Tjetland is proposed as a member of the committee acting on behalf of Skagen Fondene where Mr. Tjetland is a portfolio manager. His previous work experience includes being a partner and stockbroker in ABG Sundal Collier, a stockbroker in Handelsbanken Markets, and, from 1993-1996, a founder and partner

in Stavanger Fondsforvaltning AS (now SKAGEN AS). Mr. Tjetland graduated as a business economist from BI Norwegian Business School in Oslo. Skagen Fondene holds 3 210 450 shares in the company (9.2%).

The committee members proposed for re-election are:

1) 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 354 758 shares in the company (1.0%)

2) 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 2012. 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 348,782, i.e. a total of 3,487,823 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 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 a total of 668,368 shares both in relation to the company's incentive scheme and in relation to a voluntary share option program for employees in which salaries were reduced in exchange for share options. In all, the company has exhausted 13 % of the authorisation of 15 % granted two years ago.

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. The authorisation may be used in connection with existing employee incentive schemes and 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 10 per cent of the Company's existing share capital, until May 2014. 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 348,782 by issuing up to 3,487,823 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: 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 16: AMENDMENT OF ARTICLES OF ASSOCIATION – TIME LIMIT TO CALL ANNUAL GENERAL MEETING**

According to the Public Limited Companies Act written notice must be given at least three weeks prior to the Annual General Assembly. The existing Articles of Association sets a two week time limit.

The Board therefore proposes to the General Meeting to replace the existing article 7 with the following:

“The Company shall hold its Annual General Assembly each year before the end of the month of June. At least three weeks written notice must be given to call the Annual General Assembly. The notice calling the Assembly shall include the agenda for the Assembly. Shareholders wishing to attend the Annual General Assembly must, in the manner directed by the Board, give notice of this to the Company no later than three days before the date of the Assembly. The Chairman of the Company's Board of Directors shall be the Chairman of Annual General Assembly. The Annual General Assembly will consider and decide upon:

1. Approval of the Annual Report and Accounts, including any dividend,
2. Election of the Board of Directors,
3. All such other matters as are dealt with by a general meeting by the operation of law or pursuant to these Articles of Association.

The Company's General Assemblies can be held in the City of Oslo. “

[Ordinær generalforsamling holdes hvert år innen utgangen av juni måned. Innkallingen skjer med minst tre ukers skriftlig varsel. Med innkallingen skal følge dagsorden. Aksjeeiere som vil møte på generalforsamlingen må, etter styrets nærmere beslutning, melde dette til selskapet senest tre dager før generalforsamlingen skal holdes. Selskapets generalforsamling ledes av styrets leder.

Den ordinære generalforsamling skal behandle:

1. Godkjenning av årsregnskap og årsberetning, herunder utdeling av bytte.
2. Valg av styre.
3. Andre saker som i henhold til lov eller vedtekter hører under generalforsamlingen.

Selskapets generalforsamlinger kan holdes i Oslo kommune]

ENCLOSURE 1

**Recommendations from the Election Committee to the Annual General Meeting May 9 2012**

**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

Chairman of the Board Mr. Bjørn H. Kise is up for re-election.

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 Chairman of the Board Bjørn H. Kise is re-elected.

**3) Remuneration**

The election committee proposes no changes to the fees to the board. The fees for 2011 are therefore proposed fixed as follows:

	2011	2010
• Chairman of the Board	NOK 350,000	(350,000)
• Deputy Chairman of the Board	NOK 225,000	(225,000)
• Members of the Board	NOK 175,000	(175,000)
• Employee Representatives	NOK 35,000	( 35,000)

Oslo, April 11 2012

Bjørn H. Kise  
Chairman of the Election Committee