



HYDRO

## To the shareholders of Norsk Hydro ASA

# Notice of Annual General Meeting 2011

Notice is hereby given that the Annual General Meeting of Norsk Hydro ASA will be held at the Company's head office at Vækerø, Drammensveien 260, 0283 Oslo

**on Thursday, 5 May 2011 at 4 p.m.**

Items on the agenda:

**1 Approval of the notice of the meeting and of the agenda**

**2 Election of one person to countersign the minutes**

**3 Approval of the Annual Accounts and the Board of Directors' Report for the year 2010 for Norsk Hydro ASA and the group, including distribution of dividend**

The Board proposes a dividend of NOK 0.75 per share. The dividend will accrue to the Company's shareholders as per the date of the General Meeting, i.e., 5 May 2011. The Annual Accounts and the Board of Director's Report for the year 2010 are available on the Company's website at [www.hydro.com](http://www.hydro.com).

**4 Auditor's remuneration**

In 2010 the General Meeting chose KPMG as new auditor for the company. During the transfer period between the former auditor, Deloitte, and the new auditor, KPMG, both auditors have audited the company in 2010. Against this background approval is requested for KPMG's auditor's remuneration for Norsk Hydro ASA for 2010 of NOK 3.203.000 and for Deloitte's auditor's remuneration for Norsk Hydro ASA for 2010 of NOK 3.929.000.

**5 Guidelines for remuneration to executive management**

In accordance with Section 6-16a of the Public Limited Companies Act, the Board of Directors shall prepare a special statement on the stipulation of wages and other remuneration to the President and CEO and other leading employees for the coming accounting year. The content of the statement is included in the Annual Accounts of Norsk Hydro ASA in note 11 of the consolidated financial statements and will be submitted to an instructive vote. The Annual Accounts are available on the Company's website at [www.hydro.com](http://www.hydro.com).

**6 Amendment to the Articles of Association – convening of General Meeting**

The Company's current Articles of Association are available on its website at [www.hydro.com](http://www.hydro.com).

It is proposed to amend Section 10 of the Articles of Association by the inclusion of new fourth and fifth paragraphs. If the changes are adopted, Section 10 will read:

*"The Annual General Meeting shall be convened by the Board of Directors in accordance with applicable legal requirements.*

*Documents concerning matters to be considered at the general meeting and which have been made available for the shareholders on the company's website, do not have to be sent to the shareholders. This also applies to documents which by law shall be included in or attached to the notice of the general meeting. A shareholder may nonetheless request that documents concerning matters to be considered at the general meeting be sent to him or her free of charge.*

*Shareholders or their representatives wishing to attend and vote at the Annual General Meeting must inform the company of this no later than five days prior to the Annual General Meeting*

*The right to attend and vote at the General Meeting may only be exercised when the transfer of the relevant shares appears in the register of shareholders on the fifth business day before the General Meeting (the Record Date).*

*The Board of Directors may determine that the shareholders shall be able to cast their votes in writing, including by electronic means, during a period preceding the general meeting. Where such a form of voting is used, a satisfactory method shall be employed to authenticate the identity of the sender.*

*The Annual General Meeting is presided over by the Chairperson of the Corporate Assembly or, in his or her absence, by the Deputy Chairperson."*

**6.1 The Record Date**

Pursuant to Section 4-2 (3) of the Public Limited Companies Act the Articles of Association may provide that the right to attend and vote at the General Meeting may only be exercised when the transfer has been entered in the register of shareholders five business days prior to the General Meeting (the Record Date).

Pursuant to Section 4-2 (2) of the Public Limited Companies Act the transferee of a share may exercise the rights that pertain to a shareholder when the transfer has been entered in the register of shareholders or when the transfer has been reported and proved. Since settlement of ordinary transfers occurs on the third banking day following the transfer (T+3) one may not be positive that a transfer is registered with the Norwegian Central Securities Depository (VPS) before the fourth banking day following the transfer. A transcript of the register of shareholders requisitioned on the day of the General Meeting will accordingly with certainty only show the shareholders as per the fourth day preceding the date of the requisition. Pursuant to Section 4-2 (2) of the Public Limited Companies Act it is possible for a transferee to prove at the General Meeting that the transfer has taken place by producing the contract note relating to the share transfer. As the name of the transferor does not appear on the contract note, in principle it would therefore be possible for votes to be cast in respect of the same share both by the person who appears in the register of shareholders and also by the party in possession of a contract note relating to the purchase of the shares. The implementation of a Record Date five business days before the General Meeting will prevent any possibility of this occurring.

A second consideration indicating that it would be appropriate to implement a Record Date is that doing so could be expected to facilitate the technical execution of the General Meeting. Under the current Articles of Association the Chairperson of the General Meeting must at the time of the General Meeting determine whether a share transfer that does not appear on the register of shareholders, but which is asserted to be valid, has been reported and adequately proved. The introduction of a Record Date will mean that only those shareholders entered in the register of shareholders five business days before the General Meeting will be able to exercise their shareholders' rights at the General Meeting, including the right to vote. It is assumed that the amendment of the Articles of Association will not represent a material limitation of the shareholders' rights.

Accordingly it is proposed that the Articles of Association of Norsk Hydro ASA should be amended by the addition of a new fourth paragraph that shall read:

*"The right to attend and vote at the General Meeting may only be exercised when the transfer of the relevant shares appears in the register of shareholders on the fifth business day before the general meeting (the Record Date)."*

**6.2 Written voting prior to the General Meeting**

Pursuant to Section 5-8b of the Public Limited Companies Act the Articles of Association may provide shareholders casting their votes in writing, including the use of electronic means, during a period preceding the General Meeting. Where such a form of voting is used, a satisfactory method shall be employed to authenticate the identity of the sender.

An amendment of the Articles of Association in line with Section 5-8b of the Public Limited Companies Act will make it easier for shareholders to participate in votes that are to take place at the Company's General Meeting and will accordingly create the conditions for greater participation by the shareholders in the Company. Accordingly it is proposed that Section 10 of the Articles of Association of Norsk Hydro ASA should be amended by the addition of a new fifth paragraph that shall read:

*"The Board of Directors may determine that the shareholders shall be able to cast their votes in writing, including by electronic means, during a period preceding the general meeting. Where such a form of voting is used, a satisfactory method shall be employed to authenticate the identity of the sender."*

**7 Amendments to the Articles of Association regarding the Nomination Committee**

The Nomination Committee of Norsk Hydro ASA is established in accordance with the provisions of Section 5A of the Articles of Association. The Norwegian Code of Practice for Corporate Governance published by the Norwegian Corporate Governance Board (NUES) recommends in item 7 that the General Meeting should stipulate guidelines for the work of the Nomination Committee.

Currently the guidelines for the Nomination Committee are adopted by the Corporate Assembly's shareholder elected members at the proposal of the shareholder-elected members of the Board of Directors. It is proposed that the guidelines for the Nomination Committee should hereafter be stipulated by the General Meeting at the proposal of the shareholder elected members of the Corporate Assembly.

It is further proposed that the company's practice with the Nomination Committee being appointed by the General Meeting be reflected in the Articles of Association.

It is proposed to amend Section 5A of the Articles of Association by the inclusion of new fourth paragraph and amended last paragraph. If the changes are adopted, Section 5A will read:

*"The Nomination Committee consists of four members who shall be shareholders or shareholders' representatives. The members of the Nomination Committee, including its chairperson, are elected by the General Meeting. The chairperson of the Nomination Committee and at least one other member shall be elected from among the members and deputies of the Corporate Assembly elected by the shareholders. The members of the Nomination Committee are elected for periods of two years at a time.*

*The chairperson of the Board of Directors and the President and CEO, who do not hold voting rights, shall be requested to attend at least one meeting of the Nomination Committee before it furnishes its final recommendation.*

*The Nomination Committee makes its recommendation to the General Meeting regarding the shareholders' election of members and deputy members to the Corporate Assembly and regarding remuneration to the members of the Corporate Assembly.*

*The Nomination Committee makes its recommendation to the General Meeting regarding the election of the members and the chairperson of the Nomination Committee and regarding remuneration to its members.*

*The Nomination Committee makes its recommendation to the Corporate Assembly regarding the election of the shareholders' representatives to the Board of Directors and regarding remuneration to the members of the Board of Directors.*

*At the proposal of the Corporate Assembly's shareholder-elected members, the General Meeting adopts guidelines for the Nomination Committee."*

## 8 Guidelines for the Nomination Committee

Pursuant to the proposal under section 7 above whereby guidelines for the Nomination Committee are adopted by the General Meeting, the shareholder-elected members of the Board of Directors and of the Corporate Assembly recommends that the General Assembly adopt the proposed guidelines. The proposed instructions are available on the Company's website at [www.hydro.com](http://www.hydro.com).

## 9 Remuneration for the Corporate Assembly and the Nomination Committee

The Nomination Committee recommends that the General Meeting decides on the following fees for the Corporate Assembly and the Nomination Committee with effect from 1 January 2011:

### 9.1 Corporate Assembly:

- i) Chair, annual compensation NOK 93.000,- (from NOK 90.000,-) with the addition of meeting allowances;
  - ii) Deputy Chair, no annual compensation, but compensated as a member of the Corporate Assembly (Deputy Chair has previously received an annual compensation of NOK 45.000,- with the addition of meeting allowances);
  - iii) member/deputy member NOK 6.700,- per meeting (from NOK 6.500,-) where the member/deputy member is present.
- These fees were adjusted most recently in 2010.

### 9.2 Nomination Committee:

It is proposed to change from having an annual compensation to giving an allowance per meeting:

- i) Chair, NOK 6.000,- per meeting where the chair is present (from an annual compensation NOK 30.000,-);
- ii) other members of the Nomination Committee, NOK 4.500,- per meeting where the member is present (from an annual compensation NOK 25.000,-).

These fees were adjusted most recently in 2010.

## 10 Shareholder question

A shareholder who represents 58 shares at the time of this notice has addressed questions to the Board of Directors regarding the Company's strategy and shareholder policy. The shareholder concerned will elaborate on this question during the meeting.

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The notice of the Annual General Meeting, the agenda papers and the company's Articles of Association are available on the Company's website [www.hydro.com](http://www.hydro.com). The notice and agenda papers may also be requested sent by addressing:

Norsk Hydro ASA  
v/ Investor Relations  
0240 Oslo  
Norway

Requests may also be made by email to [ir@hydro.com](mailto:ir@hydro.com).

The shareholders have the following rights in connection with a General Meeting:

- o Right to attend the General Meeting, either in person or by proxy (see below).
- o Right to address the General Meeting.
- o Right to bring one adviser and convey to him/her this right of address.
- o Right to request information from members of the Board, the Corporate Assembly and the President and CEO as further set out in Section 5-15 of the Public Limited Companies Act. Requests for information should be put forward no later than 10 days prior to the General Meeting.
- o Right to submit alternative proposals in connection with the items to be dealt with by the General Meeting.
- o Right to have matters dealt with by the General Meeting that the shareholder has submitted in writing to the Board within seven days prior to the deadline for Notice of the General Meeting, together with the proposed decision or a reason why the matter should be put on the agenda. The General Meeting cannot in general deal with other matters than those included in the notice of the meeting.

Shareholders wishing to request information from Board members, Corporate Assembly members and the Chief Executive Officer, or wishing to have matters dealt with at the General Meeting are requested to proceed as described on the Company's website [www.hydro.com](http://www.hydro.com).

A shareholder has voting rights for the number of shares that he or she owns and that are registered with the Norwegian Central Securities Depository (VPS) at the time of the General Meeting. If the shareholder has acquired shares shortly before the General Meeting, the voting rights of the shares transferred can only be exercised if the transfer has been registered with the VPS, or if the transfer has been reported to the VPS and is documented at the General Meeting. Beneficial owners of shares registered with nominee accounts who wish to exercise their rights at the General Meeting must register themselves directly in the VPS registry of shareholders.

A shareholder who wishes to attend the General Meeting should promptly send notification of his or her attendance on the enclosed form to the following address:

DnB NOR Bank ASA  
Verdipapirservise  
N-0021 Oslo  
Fax no: +47 22 48 11 71

Notification may also be made electronically via the company's website [www.hydro.no/register](http://www.hydro.no/register), or electronically via VPS Investor Services. The registration form must be received by DnB NOR Bank ASA no later than noon on Saturday 30 April 2011.

Any shareholder may attend the meeting in the person of a proxy appointed in writing. A shareholder wishing to attend and vote by proxy at the General Meeting should send a form of proxy electronically via Investor Services, or in writing to DnB NOR Bank ASA, Verdipapirservise, within the above deadline. A proxy for a shareholder who has registered within the above deadline may also present a form of proxy on attendance at the General Meeting. The form of proxy must be accompanied by proofs of identity for both the shareholder and the proxy and in cases where the shareholder is a legal entity a certificate of registration. Any form of proxy submitted that does not name a proxy is deemed to appoint as proxy the Chair of the Corporate Assembly or the person by her so authorized. A form of proxy is enclosed.

The form of proxy may contain instructions as to how the proxy is to vote on individual items. If there is doubt regarding the interpretation of the instructions, the proxy shall proceed on the basis of the interpretation that he or she considers reasonable. If the instructions are unclear, the proxy may abstain from voting.

No admission cards will be issued for the General Meeting.

According to Article 10 of the Articles of Association of the Company, the General Meeting is chaired by the Chairperson of the Corporate Assembly or, in her absence, by the Deputy Chairperson.

Norsk Hydro ASA is a public limited company subject to the rules of the Public Limited Companies Act. Each share has one vote and the shares in all other aspects also have equal rights. There are in total NOK 2.068.998.276 shares in Norsk Hydro ASA of which Hydro itself owns 33.387.070 shares without voting rights. The total number of shares with voting rights is accordingly 2.035.611.206.