



Notice of Annual General Meeting 2011

The annual general meeting of AF Gruppen ASA will be held on Friday 13 May 2011 at 10.00 in the company's offices at Innspurten 15, Oslo.

Agenda

Item		Enclosure no.
1.	Opening of meeting by Board Chairman Tore Thorstensen, and registration of shareholders attending. In accordance with Article 6 of the Articles of Association, the chairman of the board also chairs the meeting.	
2.	Election of at least one person to countersign the minutes.	
3.	Approval of the notice and the proposed agenda.	
4.	Briefing on the operations.	
5.	Briefing on the work of the Board, work of the Audit Committee and work of the Compensation Committee.	1 and 2
6.	Review of the Board of Directors' statement on the determination of fixed pay and other remuneration for senior employees, cf. Section 6-16a of the Public Limited Liability Companies Act.	3
7.	Adoption of annual accounts and annual report for 2010, including the consolidated accounts and the distribution of dividends.	
8.	Approval of auditor's fees.	
9.	Determination of Directors' fees for the 2010 financial year.	4
10.	Election of the Board and the Nominating Committee.	4
11.	Determination of the Nominating Committee's fees for the 2010 financial year	
12.	Authority to the Board to purchase treasury shares.	
13.	Option scheme for employees	

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AF Gruppen ASA has a share capital of NOK 3,814,084.50, divided into 76,281,690 shares, each with a nominal value of NOK 0.05. Each share entitles the holder to one vote at the company's general meetings.

As at the date of this notice, AF Gruppen owns 287,300 treasury shares, which do not carry voting rights.

The shareholders have the following rights in connection with general meetings:

- Right to attend general meetings, either in person or by proxy.
- Right to express themselves at general meetings and right to bring one adviser and give them the right to express themselves.
- Right to demand details from board members and the CEO on matters that can have a bearing on the assessment of (i) the approval of the annual accounts and annual report, (ii) issues that are submitted to the shareholders for a decision and (iii) the company's financial position, including on the activity in other companies in which the company participates, and other issues to be dealt with by the General Meeting, unless the details that are demanded would cause disproportionate damage to the company.
- Right to propose alternatives to the Board's proposals for the issues to be dealt with by the General Meeting.

| Shares are listed excluding dividend 23 May 2011. Dividend is paid on 1 June 2011.

If you wish to appoint a proxy to represent you at the Annual General Meeting, please use the attached proxy form. Appointing a proxy must be done in writing.

Registration for the Annual General Meeting must be in the Company's hands no later than Wednesday 11 May 2011. Shareholders who have not registered by that date may be denied access to the General Meeting. Please use the registration slip you have been sent or notify us by telephone by calling 22 89 11 00 if you wish to attend the General Meeting.

This notice of meeting and enclosures are available on the company's website: www.afgruppen.no.

In accordance with Article 6 of the Articles of Association, the attachments to the notice of meeting are not sent by post to the shareholders. Since any shareholder may ask for the attachments to be sent by post, the Annual report for 2010 will be sent to all shareholders right after Easter.

Oslo, 19 April 2011
AF Gruppen ASA

Tore Thorstensen
Board Chairman

Enclosures:
Registration slip
Proxy form
Report from the Audit Committee
Report from the Compensation Committee
Report from the Nominating Committee
Annual report 2010

Details of Items 7, 8, 9, 11 and 12 on the agenda:

Item 7. Adoption of annual accounts and annual report for 2010, including the consolidated accounts and the distribution of dividends

The Board proposes that the Annual General Meeting adopt the annual accounts and annual report.

It is proposed to pay a dividend of NOK 4.50 per share. No dividend will be paid for treasury shares.

Item 8. Approval of auditor's fees.

The Board proposes payment of the auditor's fees as invoiced.

Item 9. Determination of fees to the board for the 2010 financial year

The nominating committee proposes the following fees:

Board Chairman	NOK 320,000
Other board members	NOK 140,000
Committee Chairman	NOK 50,000
Committee members	NOK 35,000

Item 11. Determination of the Nominating Committee's fees for the 2010 financial Year

The Board proposes an annual fee of NOK 25,000 for each member.

It is also proposed that the Board may pay members who does not represent shareholders for extra accrued time, up to NOK 15 000.

Item 12. Authority to the Board to purchase treasury shares

At the Annual General Meeting held on 28 May 2010, the Board was authorised to purchase treasury shares up until the Annual General Meeting in 2011, and in any case no later than 30 June 2011. The Board proposes that this authority be renewed until the Annual General Meeting in 2012, although not beyond 30 June 2012.

The Board Proposes that the Annual General Meeting authorise the Board to purchase treasury shares within the limitations allowed by the Public Limited Liability Companies Act. The purpose of this authority is to give the Company an opportunity to purchase shares in situations where this would be in the Company's interest.

It is proposed that the Annual General Meeting adopt the following resolution:

"The Board is authorised to acquire the Company's own shares, including the establishment of charges created by agreement.

The highest nominal value of the shares the Company may acquire is NOK 381,408.-, although at all times within the limitations set in Section 9-2 of the Public Limited Liability Companies Act. The smallest amount that may be paid for a share is NOK 0.05. The highest amount that may be paid for a share is NOK 100.-.

When buying and selling treasury shares the Company should seek to achieve the most favourable price possible. The Board is free with respect of the methods used to acquire and dispose of treasury shares, though always with the provision that the general principle of equal treatment of shareholders must be observed. For the sale of shares to employees and officers, shares may be sold at a discount of up to 20% under the prevailing market price.

Acquisition and disposal of treasury shares may thus occur, for example, with settlement in cash, with settlement by means other than cash or as settlement in connection with a merger or demerger.

The company's share capital is NOK 3,814,084.50 made up of 76,281,690 shares, each with a face value of NOK 0.05. If the share capital or face value of the shares is changed, the amounts specified in the second to fourth sentences shall be correspondingly changed.

This authority to the Board replaces the former authority dated 28 May 2010 and will apply until the date of the Annual General Meeting in 2012, although no later than 30 June 2012."

Item 13. Option scheme for employees

At an extraordinary general meeting in January 2008, a three year option programme for employees of AF Gruppen was adopted, with the distribution of a maximum 12,500,000 options (after the share split of 2010) during the years 2008-2010.

In February 2011, 5,163,750 options were redeemed by 787 employees. The option scheme has been very well received by all groups of employees. It has been particularly positive that the scheme covered all employees. On redemption, a number chose to sell shares, while 382 employees kept 3,077,715 shares, corresponding to a share value of NOK 120 million.

As one of several tools for achieving AF Gruppen's future objectives, the Board is of the opinion that it will be appropriate to establish a new option scheme for employees. From experience, such a scheme will motivate to increased efforts, as well as ensuring that the group remains an attractive employer for the employees.

The Board proposes to implement an incentive scheme for all employees of AF Gruppen. It is proposed that the maximum number of shares that can be distributed over the three year period is 6,000,000.

- Each option entitles the holder to acquire a share in AF Gruppen ASA.
- The option scheme will cover all employees.
- The Board is authorised to distribute the options between the different employee groups.
- It is proposed to introduce the incentive scheme from the third quarter of 2011 with annual distribution until September 2013.
- It shall be a condition of exercising awarded options that the option holder is still employed in the group on 1 September 2014.
- The options shall not be transferable.
- It is proposed that the employee shall pay NOK 1.- per option.
- The price of exercising the option shall be determined by the board in accordance with the share's market value.
- In the event of oversubscription, distribution will be curtailed in proportion.

For other conditions, refer to the proposal for adoption below.

Redemption of options will lead to employer's national insurance contributions for the Company to the extent that the shares' market value on redemption exceed the redemption price plus option premium.

The total accounting cost of the option programme is estimated at NOK 20.6 million divided over the option period 2011-2013, based on Merton's option price model (excluding employer's national insurance contributions) and a market price of NOK 40.

The maximum number of options could represent 7.9% of the total number of shares as at 15 April 2011. Any dilution of existing shares will depend on the market price on the realisation date of the option.

The Board proposes that the General Meeting adopts the following resolution:

An option scheme shall be established for all employees of the AF Group. The maximum number of shares that can be distributed is 6,000,000. Each option gives the right to acquire one share in AF Gruppen ASA. The option scheme involves an annual distribution of options for 2011, 2012 and 2013, in which distribution starts in the third quarter of 2011 and is concluded in the third quarter of 2013. The Board is given authority to distribute the options between different groups of employees;

The employee must pay NOK 1.- per option to acquire options. The exercise price is determined as the share's market value.

Exercise of options shall occur from the third quarter of 2014 as decided by the Board. It is a condition of exercising options that the holder is still employed by the group on 1 September 2014.

The Board is given authority to prepare the detailed guidelines for the scheme within the framework that has been given.

The General Meeting will ensure that the Board has the necessary authority at all times to issue new shares and/or acquire treasury shares, so that the Company's obligations to the employees in accordance with the option scheme can be fulfilled.



Registration

for

Annual General Meeting of AF Gruppen ASA on 13 May 2011

The undersigned, the holder of shares in AF Gruppen ASA, will attend the company's annual general meeting on 13 May 2011 at 10.00.

place....., date /2011

.....

Signature

.....

Name in block letters



Proxy

The undersigned, the holder of shares

in AF Gruppen ASA, hereby authorises

..... to attend and vote for my shares in
(block letters)

AF Gruppen ASA at the Annual General Meeting on 13 May 2011.

place....., date /2011

.....

Signature

.....

Name in block letters



Report from the Audit Committee 2010/2011

The Committee is made up of two shareholder-elected Board members:

Carl Henrik Eriksen (Chairman)

Mari Broman

The Company's CFO, Sverre Hærem, is the Audit Committee's secretary.

The purpose of the Audit Committee is to assist the Group Board with management and performance of the Board's supervisory responsibility pursuant to Sections 6-12 and 6-13 of the Public Limited Liability Companies Act. The Audit Committee's mandate is adopted by the Group Board and described in the "Mandate for the Group Board's Audit Committee".

The following tasks are included in the Audit Committee's mandate:

- Assess the Group's financial and account reporting
- Evaluate the auditing, nominate an auditor for election and explain the auditor's fees broken down by auditing and other services to the Annual General Meeting.
- Assess the Company's internal controls, including:
 - Group's management of risk
 - Group's internal control functions
 - Group's authority matrix
 - Group's cash management
 - Group's ability to perform assessments, improve, execute and follow up investment decisions
 - Organisational matters related to financial reporting and control in the Group

The Audit Committee has held four meetings since the last General Meeting. The Audit Committee has reviewed the following matters:

- Account reporting:
 - Plan the annual report
 - Preliminary earnings 2010 – including review of AF Bygg Gøteborg and AF EMT
 - Annual accounts 2010
 - Tax in the AF Group
- Auditing
 - Interim auditing
 - Review of audit for 2010
 - Assessment of auditor's fees
 - Assessment of auditor's independence
- Internal control
 - New Finance Handbook for the AF Group
 - The Group's HSE function and introduction of new measurement parameters for the environment:
 - Degree of recycling
 - Emissions of CO₂ by turnover
 - Internal pricing in the AF Group
 - Asset management in the AF Group
- Organisation
 - Organisation of a central financial staff

Report from the Compensation Committee 2010/2011

The company's Compensation Committee is made up of three shareholder-elected Board members.

- Peter Groth (Chairman)
- Eli Arnstad
- Tore Thorstensen

The Company's CEO, Pål Egil Rønn, is the Compensation Committee's secretary.

The purpose of the Compensation Committee is to be a preparatory body for the Board in matters that concern the evaluation of the fixed pay and other remuneration determined for the CEO, in addition to being an advisor to the CEO in connection with determining the terms for members of the Corporate Management Team.

The Compensation Committee's mandate is adopted by the Group Board and described in the "Mandate for the Compensation Committee".

The Committee's work consists of questions related to fixed pay, bonuses, options, severance pay, early retirement and retirement pensions,

The Compensation Committee has held three meetings since the last General Meeting. The following matters have been reviewed:

- Incentive schemes in general
 - Historical figures for bonus paid
 - Bonus parameters
 - Relationship between ordinary fixed pay/bonuses
 - Compensation to corporate management
 - Comparison with compensation terms in other companies.
 - Main principles for pay and incentive scheme.
 - Differentiation of incentive scheme on the basis of results achieved.
 - Experience from the option scheme 2008-2010
 - 12,500,000 options offered.
 - 5,163,750 options redeemed.
 - Employer's national insurance contributions on benefits when redeeming options.
 - What the option scheme has cost the company. - Theoretical option costs according to Black Scholes (Merton's formula).
 - Financing scheme for employees when redeeming options.
 - Preparation for discussion by the Board.
 - Discounted share purchase scheme for employees
 - Existing scheme will be continued in 2011 – adopted by the Board on 14 February 2011.
 - Bonus programme for 2011
 - Proposal for changes to performance-related bonus for executive vice presidents depending on results in the individual business areas.
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- Proposal for new option scheme 2011-2013
 - It is desirable to get a new scheme going as soon as possible.
 - Unique scheme - seen as very positive for all groups of employees.
 - Motivates people to have a long term perspective of both their own employment conditions and their contribution to the company at all levels.
 - Positive that everyone can participate.
 - Experience from last time is that some central/young project managers ended up at a low level - desirable to raise this so as to achieve increased solidarity/strengthen the "glue" between employee and company.
 - Positive result of the scheme, although the larger shareholders had to guarantee for a relatively large amount and purchase $(5,163,750 \div 3,077,715) = 2,086,032$ shares for a total of NOK 81.4 million.
 - Clear feedback from management to the Board for a new scheme as soon as possible.
 - Discussed by the Board 31 March 2011.

Oslo, 13 April 2011
Peter Groth



Board of Directors' statement on the determination of fixed pay and other remuneration to senior executives

The Board of Directors has prepared the following statement on the determination of fixed pay and other remuneration to senior executives pursuant to Section 6-16a of the Public Limited Liability Companies Act.

Senior executives are defined as the Corporate Management Team, which consists of the CEO and five executive vice presidents.

1. Determination of fixed pay and other remuneration for senior employees

Main principles

- The salaries of senior executives are made up of a fixed component, the base salary, and a variable component in the form of a bonus.
The sum total of the base salary and bonus constitutes the total remuneration the employees receive for their services.
- The scope of the variable component of the remuneration depends on to what degree the defined economic targets are achieved.
- The total remuneration that is offered shall be competitive in relation to comparable positions and the market.
- The Compensation Committee is the Board of Directors' advisor for the evaluation of the terms for senior executives.

Determination of the CEO's remuneration

The Board of Directors determines the CEO's remuneration in consultation with the Compensation Committee. The CEO has otherwise the same employment terms and notice period as other employees. There are no agreements relating to severance pay or early retirement.

Determination of the remuneration of executive vice presidents

The Board of Directors establishes guidelines for the remuneration of senior executives in consultation with the CEO.

There are no agreements relating to severance pay or early retirement.

Bonuses

Bonuses for senior executives are based on the EVA (Economic Value Added) model. EVA is a method of calculating and analysing value creation in the Group and in economic units below group level. Bonuses based on the EVA model for senior executives are linked to the Group's value creation during the financial year. If the performance requirements are met, the bonus payment normally represents up to 8 month's pay, although this is not an absolute upper limit.

Of the total bonus earned, 25% can be used to buy shares at a 20% discount and the remainder is paid in cash. The lock-in period for the shares is one year.

Purchase of treasury shares

Shares can be sold to senior executives, subject to the approval of the Board of Directors at a 20 % discount on the prevailing market price. Shares are offered to senior executives in the same way as to other employees.



Options

In January 2008, the General Meeting adopted an option scheme for all employees of AF Gruppen. The option scheme was intended to provide an incentive for all the employees in the Group. The purpose of the scheme was to encourage long-term commitment and greater involvement in the Group's activities. It is believed that the Group's future objectives will best be achieved when the interests of the Group and its employees coincide.

The options scheme meant that the Group's employees were given the opportunity to buy options each year in 2008, 2009 and 2010. This was done by granting the individual employee a certain number of options annually. Employees were granted a specific number of options each year, all of which had to be accepted.

Each option entitled the holder to purchase a share in AF Gruppen ASA.

The employees paid a price of NOK 0.60 per option. The exercise price was set at the market value of the shares on 31 December of the previous year, subject to a minimum price of NOK 27.00.

In February 2011, 787 employees redeemed 5,163,750 options.

Retirement benefit scheme and payments in kind

Senior executives participate in the Group's retirement benefit scheme and receive payments in kind in the form of allowances for work travel, data connections and mobile telephones on par with that of other employees.

2. Compensation policy in force in 2010

Determination of the CEO's remuneration

The terms for the CEO were set by the Board of Directors. The remuneration paid in 2010 was in accordance with the agreements entered into, and a bonus was paid for the 2009 financial year in addition to the salaries for 2010.

Determination of the remuneration of executive vice presidents

The terms for the executive vice presidents were set by the CEO in consultation with the Board of Directors. The remuneration paid in 2010 was in accordance with the agreements entered into. A bonus was paid for the 2009 financial year.

Bonuses were paid to the executive vice presidents based on the EVA achieved by the Group in relation to the targets, which are the same for everyone.

3. Effect of changes to the compensation schemes agreed on in 2010

There have been no changes in the compensation schemes in 2010.

4. Guidelines for the determination of fixed pay and other remuneration for 2011

The determination of fixed pay will follow the same principles in 2011 as in 2010. The principles for the calculation of bonuses will also be the same as in previous years, except that bonuses to executive vice presidents are conditional on positive earnings in the business area for which the executive vice president is responsible.

For further information, reference is made to Notes 5 and 23 in the annual report.

Recommendations of the Nominating Committee to the Annual General Meeting of AF Gruppen ASA, 13 May 2011

1. Size of the Board

The Nominating Committee has interviewed all members of the board and consulted with the CEO, so as to evaluate the work of the board on behalf of all the shareholders in the company. A new evaluation of the size of the board has been made with regard to the shareholder-elected members. This was done on the basis of the fields of expertise the company's board should cover. The Nominating Committee therefore believes it would be appropriate to maintain the number of shareholder-elected Board members at five.

At the General Meeting in 2009, the Articles of Association were amended so that up to two alternate members with the right to attend board meetings could be elected. The Nominating Committee recommends that this arrangement be maintained, but that no alternates are elected this time.

2. Election of Board members and the Board Chairman

Shareholder-elected Board members are up for election every year.

The Nominating Committee proposes that the following are elected as board members for one year:

Arnstad, Eli (re-election)
Broman, Mari (re-election)
Eriksen, Carl Henrik (re-election)
Groth, Peter (re-election)
Thorstensen Tore (re-election)

Alternate members: No alternatives will be elected for the next year

The Nominating Committee proposes that the General Meeting re-elects Tore Thorstensen as the Board Chairman.

3. Directors' fees for the election period until the Annual General Meeting for the 2010 financial year

The Nominating Committee submits the following remuneration proposal for approval:

Board Chairman	NOK 320,000 per annum
Board members:	NOK 140,000 per annum
Alternate members:	NOK 12,500 per meeting
Committee Chairman:	NOK 50,000 per annum
Committee members:	NOK 35,000 per annum

4. Nominating committee

The following new Nominating Committee is proposed:

Baumann, Arne (re-election)
Fjeld, Tor Øivind (re-election)
Thronsen, Jan Fredrik (re-election)

It is proposed that Arne Baumann be re-elected as the chairman.

Oslo, 13 April 2011

Arne Baumann (Chairman)

Tor Øivind Fjeld

Jan Fredrik Thronsen