



NOTICE OF ANNUAL GENERAL MEETING IN THIN FILM ELECTRONICS ASA

The Annual General Meeting of Thin Film Electronics ASA ("the Company") will take place:

Wednesday 3 June 2020 at 09.00 hours CET

At the date of the instant notice the Company's registered share capital amounts to NOK 6,445,293.91 divided into 58,593,581 shares with par value per share of NOK 0.11. The Company has called an Extraordinary General Meeting on 20 May 2020, at which general meeting the Board proposes a private placement of shares, a subsequent repair offering and the issuance of warrants to the subscribers, which are allocated shares in the private placement and the subsequent repair offering. If the proposed private placement is approved at such Extraordinary General Meeting, the share capital in the Company will be NOK 31,445,293.88 divided into 285,866,308 shares with par value per share of NOK 0.11 (not taking into account the proposed subsequent repair issue).

Each share gives right to one vote at the Annual General Meeting. At the date of the instant notice, the Company does not hold any of its own shares. The Company's Articles of Association, last amended on 15 April 2020, is printed in the annual report for 2019 and is available at www.thinfilmsystems.com.

Reference is made to the corona pandemic and the regulations approved by the Norwegian government on 27 March 2020 allowing the Board to determine that general meetings may be held by electronic participation. On this background, the Board has determined that the Annual General Meeting will be held as an electronic meeting, allowing the shareholders to participate electronically by following the Meeting through a live audiocast, submitting questions in writing during the Meeting and exercise voting rights through the electronic system. See [Appendix 1](#) for further information on how to participate online at the Annual General Meeting.

If you wish to participate at the Annual General Meeting by proxy, we ask that you submit the enclosed Notice of Attendance/Power of Attorney form to: DNB Bank ASA, Verdipapirtjenester, to arrive no later than Friday 29 May 2020 at 12.00 hrs. The Notice of Attendance/Power of Attorney form provides more information about attendance, voting etc. According to the Company's Articles of Association, shareholders who have not timely given such Notice of Attendance may be barred from participating in the Meeting.

The Board invites the shareholders to submit questions to the Board in advance, and to exercise their voting rights by submitting Power of Attorney forms with voting instructions prior to the Meeting.

Each shareholder may be accompanied by one adviser and the adviser may submit questions on behalf of the shareholder at the Annual General Meeting. Furthermore, shareholders have the right to request information from the board members and the managing director in accordance with Section 5-15 of the Norwegian Public Limited Companies Act ("PLCA").

The instant notice with attachments and other documents related to the Annual General Meeting are available at www.thinfilmsystems.com or can be requested from the Company at no charge from info@thinfilmsystems.com.

The Annual General Meeting will consider and resolve the following matters. For the avoidance of doubt, it is noted that any shareholder has the right to put forward alternative resolutions on the various agenda items.

1. Registration of participating shareholders, in person or by proxy / Election of a person to chair the Meeting and a person to sign the minutes

The Annual General Meeting will be opened by the Chair of the Board of Directors (the "Board") of the Company, Mr. Morten Opstad. The Board proposes that Mr. Morten Opstad shall be elected to chair the meeting, and that a person shall be elected to co-sign the minutes.

2. Approval of the notice and the agenda of the Meeting

3. Approval of the Annual Financial Statements and Annual Report for 2019

The annual financial statements and the annual report for 2019 are available at www.thinfilmsystems.com or can be requested from the Company at no charge from info@thinfilmsystems.com. The Board proposes to the Annual General Meeting that the 2019 annual financial statements and annual report shall be approved in all respects.

4. Guidelines for remuneration of the management

The Board's declaration for remuneration of the executive management team is available at the Company's website: www.thinfilmsystems.com, and will be available at the general meeting.

Pursuant to Section 6-16a of the PLCA, the Board proposes the following resolutions:

4.1 Advisory resolution of management remuneration policy

The Annual General Meeting acknowledges the statement on executive remuneration, cf. Section 6-16a of the PLCA, as presented by the Board to the Annual General Meeting. In case the Board in any new agreement valid in 2021 departs from the guidelines for 2021, the reason shall be stated in the minutes of the relevant Board meeting.

4.2 Binding resolution of management remuneration policy

The Annual General Meeting refers to its resolution on item 6 on the agenda of the instant meeting and item 9 in the minutes of the Extraordinary General Meeting dated 15 April 2020. Any other share-based remuneration program must be presented for consideration at a general meeting.

5. Authorization to the Board to issue new shares

The Board proposes that the Annual General Meeting authorizes the Board to increase the Company's share capital to raise additional capital for the Company if and to the extent this should be deemed advantageous. This authorization will be a renewal of the equivalent authorization resolved at the 2019 Annual General Meeting (and subsequently amended at the Extraordinary General Meeting dated 23 October 2019).

Generally, as the Company is working to further develop its business operations, it may be necessary that the Board is able to effect transactions on a short notice. The required 21 days' notice for a general meeting may delay this process.

To ensure the necessary flexibility for the Board, it is proposed that the Annual General Meeting authorizes the Board to issue shares and increase the share capital of the Company in connection with private placements and rights issues. The authorization shall expire on the date of the 2021 Annual General Meeting, however not later than 30 June 2021. The authorization shall be maximized to 10 per cent of the registered share capital of the Company at the time of the authorization.

On the Extraordinary General Meeting in the Company held on 15 April 2020 ("April EGM"), the Company resolved in item 9.2 a board authorization to issue shares in connection with 2020 Employee Share Purchase Plan. The Company is in dialogue with the Norwegian Register of Business Enterprises regarding the registration of said board authorization, but the Board understands that the Register of Business Enterprises may refuse registration of the authorization as the stated maximum amount is based on the registered share capital prior to the reduction of par value resolved by the April EGM, which creates technical difficulties related to registration. On this background, the Board proposes a new board authorization in item 5.3 to issue shares in connection with 2020 Employee Share Purchase Plan, to the extent the board authorization from the April EGM is not registered.

By reason of the above, the Board proposes the adoption of the following separate authorizations to the Board to issue shares:

5.1 Board authorization to issue shares in Private Placements:

1. *The Board of Directors of Thin Film Electronics ASA ("the Company") is authorized to carry out one or more share capital increases by issuing a number of shares with a maximum total nominal value of NOK 3 208 982,31644,529.39 (representing 10 per cent of the registered share capital of the Company at the time of the ~~Notice of the Annual General Meeting~~); ~~provided, however, that if the share capital increases between the date of the Notice of the Annual General Meeting and the Annual General Meeting the maximum total nominal value of this authorization shall be 10% of the enlarged share capital.~~ Moreover, under no circumstances shall the number of shares that may be issued by the Board collectively under ~~this agenda items~~ 5.1 and 5.2 exceed 10 per cent of the registered share capital at the time of this authorization. Any and all previous authorizations given to the Board to issue shares shall be, and hereby are, withdrawn with effect from the date this authorization is registered with the Register of Business Enterprises (not including, for the avoidance of doubt, the other authorizations contained in this agenda item 5 and in item 9.2 of the minutes of the Extraordinary General Meeting dated 15 April 2020).*
2. *The authorization may be used in connection with private placements and share issues to suitable investors (which may include existing and/or new shareholders, hereunder employees in the Company and/or its subsidiaries) to raise additional capital for the Company. The authorization does not comprise share capital increases in connection with mergers, cf. Section 13-5 of the PLCA.*
3. *In the event the Company's share capital or the nominal value of the shares is changed by way of a capitalization issue, stock split, stock consolidation, share capital reduction by way of reduction of the par value etc., the maximum nominal value of the shares that may be issued under this authorization shall be adjusted accordingly.*
4. *Existing shareholders waive their preemptive right to subscribe for shares according to the PLCA in event of a share capital increase as authorized herein.*
5. *The Board is authorized to decide upon the subscription terms, including issue price, date of payment and the right to sell shares to others.*

6. *Payment of share capital in connection with a share capital increase authorized herein may be made by way of non-cash contributions and other special subscription terms, as provided in Section 10-2 of the PLCA.*
7. *The General Meeting authorizes the Board to amend the Company's Articles of Association concerning the size of the share capital when the instant authorization is used.*
8. *The authorization shall be valid until the 2021 Annual General Meeting, but not beyond 30 June 2021.*
9. *The new shares, which may be subscribed for according to this authorization, shall have right to dividends declared subsequent to the subscriber having paid the subscription price and the associated share capital increase having been registered in the Register of Business Enterprises. In other respects, the shares shall have shareholder rights from the time of issuance, unless the Board otherwise determines.*
10. *Shares that are not fully paid cannot be transferred or sold.*

5.2 Board authorization to issue shares in Rights Issues:

1. *The Board of Directors of Thin Film Electronics ASA ("the Company") is authorized to carry out one or more share capital increases by issuing a number of shares with a maximum total nominal value of NOK ~~3 208 982,31644,529.39~~ (representing 10 per cent of the registered share capital of the Company at the time of ~~the Notice of~~ this Annual General Meeting); ~~provided, however, that if the share capital increases between the date of the Notice of the Annual General Meeting and the Annual General Meeting the maximum total nominal value of this authorization shall be 10% of the enlarged share capital.~~ Moreover, under no circumstances shall the number of shares that may be issued by the Board collectively under ~~this agenda items~~ 5.1 and 5.2 exceed 10 per cent of the registered share capital at the time of this authorization. Any and all previous authorizations given to the Board to issue shares shall be, and hereby are, withdrawn with effect from the date this authorization is registered with the Register of Business Enterprises (not including, for the avoidance of doubt, the other authorizations contained in this agenda item 5 and in item 9.2 of the minutes of the Extraordinary General Meeting dated 15 April 2020).*
2. *The authorization may be used in connection with rights issues to existing shareholders to raise additional capital for the Company. The authorization does not comprise share capital increases in connection with mergers, cf. Section 13-5 of the PLCA.*
3. *In the event the Company's share capital or the nominal value of the shares is changed by way of a capitalization issue, stock split, stock consolidation, share capital reduction by way of reduction of the par value etc., the maximum nominal value of the shares that may be issued under this authorization shall be adjusted accordingly.*
4. *The Board is authorized to decide upon the subscription terms, including issue price, date of payment and the right to sell shares to others.*
5. *Payment of share capital in connection with a share capital increase authorized herein may be made by way of non-cash contributions and other special subscription terms, as provided in Section 10-2 of the PLCA.*

6. *The General Meeting authorizes the Board to amend the Company's Articles of Association concerning the size of the share capital when the instant authorization is used.*
7. *The authorization shall be valid until the 2021 Annual General Meeting, but not beyond 30 June 2021.*
8. *The new shares, which may be subscribed for according to this authorization, shall have right to dividends declared subsequent to the subscriber having paid the subscription price and the associated share capital increase having been registered in the Register of Business Enterprises. In other respects, the shares shall have shareholder rights from the time of issuance, unless the Board otherwise determines.*
9. *Shares that are not fully paid cannot be transferred or sold.*

5.3 Ratification of Board authorization to issue shares in connection with 2020 Employee Share Purchase Plan:

1. *The Board of Directors of Thin Film Electronics ASA (the "Company") is authorized to carry out one or more share capital increases by issuing a number of shares with a maximum total nominal value of NOK 644,529.39 (representing 10 per cent of the share capital of the Company at the time of the Notice of the Annual General Meeting). Increase of the Company's share capital in accordance with the authorization in this item 5.3 shall only be carried out if the board authorization resolved in agenda item 9.2 of the minutes of the Extraordinary General Meeting on 15 April 2020 is not registered in the Register of Business Enterprises (in which case said board authorization from the Extraordinary General Meeting on 15 April 2020 is withdrawn).*
2. *The authorization may be used in connection with the award of shares in the Company to employees in the Company or any of its subsidiaries under the terms and conditions of the 2020 Employee Share Purchase Plan, whereby such employees may convert a certain portion of the employee's cash remuneration from the Company or its subsidiaries to shares in the Company (the "2020 Employee Share Purchase Plan"). The number of shares that may be awarded to the employee shall be calculated based on the volume-weighted average price of the share over the 10 trading days immediately preceding the subscription date. The authorization does not comprise share capital increases in connection with mergers, cf. Section 13-5 of the PLCA.*
3. *In the event the Company's share capital or nominal value per share is changed by way of a capitalization issue, stock split, stock consolidation etc., the maximum nominal value of the shares that may be issued under this authorization shall be adjusted accordingly.*
4. *Existing shareholders are waiving their pre-emptive right to subscribe for shares according to the PLCA in the event of a share capital increase as authorized herein.*
5. *The Board is authorized to decide upon the subscription terms, including issue price, date of payment and the subscribers' right to sell shares to others.*
6. *Payment of share capital in connection with a share capital increase authorized herein may be made by way of non-cash contribution and other special*

subscription terms, as same are provided in Section 10-2 of the PLCA.

7. The General Meeting authorizes the Board to amend the Company's Articles of Association concerning the size of the share capital when the instant authorization is used.
8. The authorization shall be valid until the 2021 Annual General Meeting, but not later than 30 June 2021.
9. The new shares, which may be subscribed for according to this authorization, shall have right to dividends declared subsequent to the subscriber having paid the subscription price and the associated share capital increase having been registered in the Register of Business Enterprises. In other respects, the shares shall have shareholder rights from the time of issuance, unless the Board determines otherwise.
10. Shares that are not fully paid cannot be transferred or sold.

6. 2020 Subscription Rights Incentive Plan

The Board proposes an incentive program for employees and individual consultants performing similar work of/for the Company ("Staff") for the next one-year period until the 2021 Annual General Meeting. Consistent with past practice, the former plan is closed each time a new plan is implemented, meaning that no further subscription rights will be granted under these former plans.

The Board proposes that the number of independent subscription rights that may be granted and outstanding under the Company's subscription right programs shall be limited to a number corresponding to 10 per cent of the share capital as of the date of the Annual General Meeting on a fully diluted basis (including any issued and outstanding warrants).

The Board proposes that the Annual General Meeting passes a resolution for the issuance of subscription rights to Staff in the Company and/or its subsidiaries or affiliates.

The Board believes the Company has possibilities for growth and the Board wishes to retain the services of Staff by allowing them to share the rewards resulting from their efforts.

Proposal for resolution by the Annual General Meeting:

The Annual General Meeting resolves a new 2020 Subscription Rights Incentive Plan, whereby the Company may issue independent subscription rights to employees of Thin Film Electronics ASA and its subsidiaries and affiliated companies (hereinafter collectively referred to as the "Company") and to individual consultants performing similar work.

For the avoidance of doubt, the foregoing includes grants of subscription rights to (i) employees of and individual consultants to Thin Film Electronics, Inc., a wholly owned subsidiary of the Company duly organized and existing under the laws of the State of California and/or (ii) other employees or individual consultants within the Thin Film Electronics Group of Companies who are US citizens, US residents within the meaning of Section 7701 of the U.S. Internal Revenue Code of 1986, as amended, and US non-residents who accrue benefits under the 2020 Subscription Rights Incentive Plan during a period of U.S. employment.

Each subscription right shall entitle the holder to demand the issuance of one share in the Company. In the event the Company's share capital or number of shares or kind of shares is changed by way of a capitalization issue, stock split, stock consolidation, spin-off, combination

or exchange of shares, recapitalization, merger, consolidation, distribution to stockholders other than a normal cash dividend, or other change in the Company's corporate or capital structure that constitutes an equity restructuring transaction etc., the maximum number of subscription rights, the kind of shares to be issued under each subscription right and the consideration for the shares to be issued in the Company upon exercise of the subscription rights, shall be adjusted accordingly and rounded downwards to the nearest whole number.

The number of subscription rights which may be issued shall be a minimum number of one (1) subscription right and a maximum number [of 74,627,111 subscription rights](#), representing 10% of the Company's fully diluted share capital as of the date of this resolution (including any warrants that are issued and outstanding, but excluding issued and outstanding incentive subscription rights under the Company subscription rights programs), ~~such maximum number to be inserted in the Minutes of the Annual General Meeting~~. Further, the number of issued and outstanding subscription rights under all of the Company's subscription right programs shall not exceed a number corresponding to 10% of the Company's fully diluted share capital (including any warrants, but excluding incentive subscription rights) at any given time.

The subscription rights must be subscribed for at the latest on the day immediately preceding the date of the 2021 Annual General Meeting.

The subscription rights will be granted for no consideration.

The subscription rights shall be non-assignable otherwise than by will or by the laws of descent and distribution.

The vesting schedule for the subscription rights shall be as follows: 1/12 of the subscription rights will become vested and exercisable on each January 15, April 15, July 15 and October 15 following the date of grant (commencing with the first such date following the date of grant), so that the subscription rights are fully vested approximately three years after the date of grant. The Board may decide to establish an accelerated vesting schedule, if deemed appropriate.

Except as otherwise expressly determined by the Board, in the event of a Change of Control, subscription rights shall accelerate and immediately become 100 per cent vested as of the date of the consummation of the Change of Control. For the purpose of this paragraph, Change of Control shall have such customary definition as set out by the Board in the more detailed rules of the subscription rights plan.

The Board shall establish the further rules and procedures in regard to vesting and exercise in cases of resignation or other termination of employment or consulting contract, including subsequent time frames to allow completion of exercise after termination.

In connection with the issuance of subscription rights, and the exercise of any of the subscription rights and the resulting share capital increase in the Company, the existing shareholders waive their preferential right to subscribe for subscription rights or shares, as the case may be, according to the PLCA.

As consideration for the shares to be issued in the Company upon exercise of the subscription rights hereunder, the holders of the subscription rights shall pay to the Company a sum per share, which at least shall equal the greater of; (i) the average closing price of the Company's share, as reported by Oslo Børs, over ten trading days immediately preceding the date of grant of the subscription rights, and (ii) the closing price of the Company's share, as reported by Oslo Børs, on the trading day immediately preceding the date of grant of the subscription rights. Notwithstanding the foregoing, if the subscription right holder is an owner of 10% or more of the Company's shares, in

the case of a grant which is an Incentive Stock Option under the U.S. Internal Revenue Code, the exercise price shall be not less than 110% of the greater of (i) the average closing price of the Company's share, as reported by Oslo Børs, over ten trading days immediately preceding the date of grant of the subscription rights and (ii) the closing price of the Company's share, as reported by Oslo Børs, on the trading day immediately preceding the date of grant of the subscription rights.

No subscription rights may be exercised beyond the 5-year anniversary of the date of this resolution. In connection with the issuance of subscription rights, the Company may provide terms and conditions for exercise, as well as imposing restrictions on the sale and transfer of shares issued upon exercise of the subscription rights.

Any shares that are issued by the Company under the subscription rights program shall carry right to dividends declared subsequent to the subscriber having paid the subscription price and the associated share capital increase having been registered in the Register of Business Enterprises. All other shareholder rights associated with these shares, hereunder those referenced in Section 11-12 (2) no.9 of the PLCA, shall attach from the date of issuance of the said shares.

7. Remuneration to the members of the Board for the upcoming period (2020-2021)

The proposal from the Nomination Committee on this subject will be presented prior to the Annual General Meeting.

8. Board election

The Board's current members are presented in the 2019 annual report. The Nomination Committee's recommendation on this subject will be presented prior to the Annual General Meeting.

9. Remuneration to the Nomination Committee

The proposal from the Nomination Committee on this subject will be presented prior to the Annual General Meeting.

10. Nomination Committee Election

The proposal from the Nomination Committee on this subject will be presented prior to the Annual General Meeting.

11. Authorization to the Board to acquire own shares

Generally, the Board believes that acquisition of own shares may be in the interest of the Company, among other reasons, for the purpose of increasing the return for the Company's shareholders. For example, acquisition of own shares may be desirable in a situation where the Company's equity and liquidity position is good, while there at the same time is limited access to attractive investment possibilities. In general, acquisition of own shares is considered as a positive sign by the stock market as it demonstrates a focus and emphasis on shareholder values. This authorization will be a renewal of the equivalent authorization resolved at the 2019 Annual General Meeting.

By reason of the above and to comply with the requirements in Section 9-4 of the PLCA, the Board proposes that the Annual General Meeting passes the following resolution:

- 1. In accordance with Sections 9-4 and 9-5 of the PLCA, the Board of Directors of Thin Film Electronics ASA (the "Company") is authorized to acquire the Company's own shares, through ownership or a charge, for a total nominal value of up to NOK 644,529.39 (representing 10 per cent of the registered share capital of the Company at the time of this Notice of Annual General Meeting); provided, however, that if the share capital increases between the date of the Notice of the Annual General Meeting and the Annual General Meeting the maximum total nominal value of this authorization shall be 10% of the enlarged share capital.*
- 2. Under this authorization, the Board of Directors shall pay at a minimum NOK 0.11 per share and at a maximum the closing price per share, as reported by Oslo Børs, as of the close of trading the day the offer of acquisition is made, provided, however, that the amount shall not exceed the amount of NOK 1,000 per share.*
- 3. The Board is authorized to decide upon the manner and terms of the acquisition, disposition, transfer and sale of own shares, while taking into account the statutory requirement of equal treatment of shareholders.*
- 4. In the event the Company's share capital is changed by way of a capitalization issue, stock split, stock consolidation, share capital reduction by way of reduction of the par value etc., the maximum nominal value of the shares that may be acquired, the minimum price per share, and maximum price per share shall be adjusted accordingly.*
- 5. The authorization shall be valid until the 2021 Annual General Meeting, but no later than 30 June 2021.*

12. Approval of the remuneration of the auditor

The Board proposes that the Annual General Meeting approves the payment of the auditor's fees for 2019 according to invoice.

13 May 2020
Thin Film Electronics ASA

Morten Opstad
Chairman of the Board of Directors