



NOTICE OF EXTRAORDINARY GENERAL MEETING IN THIN FILM ELECTRONICS ASA

An Extraordinary General Meeting of Thin Film Electronics ASA ("**the Company**") will take place:

Wednesday 19 August 2020 at 09.00 hours CET

At the date of the instant notice the Company's registered share capital amounts to NOK 39,089,823.08 divided into 355,362,028 shares with par value per share of NOK 0.11. Each share gives right to one vote at the Extraordinary 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 3 July 2020, is available at www.thinfilmsystems.com.

Reference is made to the corona pandemic and the temporary statute approved by the Norwegian government on 26 May 2020 allowing the Board to determine that general meetings may be held by electronic participation. On this background, the Board has determined that the Extraordinary 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 Extraordinary General Meeting.

If you wish to participate in the Extraordinary General Meeting, we ask that you submit the enclosed Notice of Attendance/Power of Attorney form to: DNB Bank ASA, Verdivapirtjenester, to arrive no later than Monday 17 August 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 Extraordinary 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 Extraordinary General Meeting are available at www.thinfilmsystems.com or can be requested from the Company at no charge from info@thinfilmsystems.com.

The Extraordinary 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 Extraordinary General Meeting will be opened by the Chairman of the Board of Directors (the "**Board**") of the Company, Mr. Morten Opstad. The Board proposes that Mr. Morten Opstad is 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. Private Placement; issuance of new shares and amendment of the Company's Articles of Association

On 22 July 2020, the Board received an offer from a consortium of investors, who has provided a commitment to subscribe for shares for a total subscription amount of approximately NOK 50.1 million subject to certain conditions (the "**Private Placement**"). The offered and committed subscription price per share is NOK 0.15.

The offered subscription price is below the closing price on Oslo Børs as of the date of this Notice. The Company has previously communicated to the market that further financing is required within the expiry of July 2020. In light of the Company and the group's financial situation, as previously given an account of to the market, it is the Board's recommendation to the Company's shareholders that the offer is approved, as this is the best investment offer on the table following diligent efforts by the Board to secure equity funding on the best possible terms.

The Board considers it appropriate that the existing shareholders' preferential right to subscribe for new shares (and new warrants according to section 5) is waived because of the immediate need of financing in order for the Company to secure and continue its operations. The Board believes that the proposed subscription price is at the level necessary in order for the Company to obtain funding given the Company's current financial condition. However, to reduce the diluting effect on existing shareholders, the Board is proposing in section 4 of this Notice that a subsequent offering is carried out at a subscription price per share equal to the subscription price in the Private Placement, i.e. NOK 0.15. The maximum subscription amount of the subsequent offering would be approximately NOK 10 million.

Since the balance sheet date of 31 December 2019, it should be mentioned that the Company announced its updated corporate strategy on 30 January 2020, and has continued to invest its cash to implement and carry out such strategy since the balance sheet date. The Company has raised NOK 25 million in a private placement and NOK 7 million in a subsequent offering, both share issues resolved at the Extraordinary General Meeting held on 20 May 2020.

Copies of the Company's annual financial statements and annual report for 2019, as well as the auditor's report in regard thereto are made available at the Company's offices c/o the offices of Advokatfirmaet Ræder AS in Dronning Eufemias 11 in Oslo for inspection, as well as on the Company's website www.thinfilmsystems.com.

The offer involves the issuance of 333,866,666 new shares at a subscription price per share of NOK 0.15, raising a total of approximately NOK 50.1 million. The offer is conditional upon the issuance of one warrant for each share subscribed for in the Private Placement, on the terms set out in section 5 below.

The proceeds from the Private Placement will be used to fund the operating and capital expenditures required by the Company's business plan, and also to repay an interim bridge loan, which the Company has obtained to secure financing of operations in the month of August.

Further to the foregoing, the Board proposes that the Extraordinary General Meeting passes the following resolutions:

3.1 Private Placement; issuance of new shares

The Company's share capital shall be increased with NOK 36,725,333.26 from NOK 39,089,823.08 to NOK 75,815,156.34, by issuance of 333,866,666 new shares, each share having a par value of NOK 0.11, at a subscription price per of NOK 0.15. The total subscription amount is NOK 50,079,999.90, out of which NOK 36,725,333.26 constitutes share capital and NOK 13,354,666.64 is share premium. The new shares may be subscribed

for by the investors set out in Attachment 1 to the minutes from the Extraordinary General Meeting. Existing shareholders' preferential right to subscribe for shares according to Section 10-4 of the PLCA is waived.

Subscription for the new shares shall be made on a separate subscription form by 21 August 2020 (or such later date as agreed by the Board of Directors, but no later than 30 September 2020). The subscription price shall be paid within 21 August 2020 (or such later date as agreed by the Board of Directors, but no later than 30 September 2020) to a separate bank account specified by the Company in writing, cf. Section 10-13 of the PLCA. In case of non-payment from the subscriber, the Board may transfer such subscriber's rights to other subscriber(s).

The new shares shall carry shareholder rights, including right to dividends or other distributions that are declared, from registration of the share capital increase in the Norwegian Register of Business Enterprises.

This resolution is conditional upon the Extraordinary General Meeting approving the warrant issuance as proposed in section 5 below.

The estimated costs related to the Private Placement are approximately NOK 700,000, including costs related to the preparation of a prospectus.

3.2 Amendment of the Company's Articles of Association

Section 4 of the Company's Articles of Association is amended to read:

""§4 The Company's share capital

The Company's share capital is NOK 75,815,156.34 divided into 689,228,694 shares each having a par value of NOK 0.11."

4. Subsequent Offering; issuance of new shares and amendment of the Company's Articles of Association

As the Private Placement proposed in section 3 will lead to share dilution for shareholders in the Company not participating in such placement, the Board proposes to carry out a subsequent offering (hereinafter referred to as the "**Subsequent Offering**") in order to reduce the diluting effect.

In order for the Subsequent Offering to reduce the diluting effect for the shareholders in reference to the amount of shares that are proposed issued in the Private Placement, the Board finds it appropriate to propose that the Company may issue shares, at a subscription price per share equal to the subscription price in the Private Placement, being NOK 0.15, raising up to approximately NOK 10 million in the Subsequent Offering.

Events occurred after the last balance sheet date which are of substantial importance to the Company, as well where the Company's last annual financial statements, annual report and auditor's report are made available, are set out in the statement in section 3 in this Notice.

The proposal in this section 4 is conditional upon the approval of the Private Placement proposed in section 3 above.

Thus, the Board proposes the following resolution:

1. The Company's share capital may be increased with minimum NOK 733,333.26 and maximum NOK 7,333,333.26, by issuance of minimum 6,666,666 and maximum 66,666,666 new shares, each share having a par value of NOK 0.11, for a subscription price per share equal to the subscription price per share in the Private Placement, being NOK 0.15.

2. *Shareholders in the Company as per the date of the Private Placement, as shown in the Company's shareholders' register in the VPS following ordinary T+2 settlement on the date of the Private Placement (the "**Record Date**") who were not allocated shares in the Private Placement and who are, in the opinion of the Company, not resident in a jurisdiction where such offering would be unlawful or (for other jurisdictions than Norway) would require a prospectus filing, registration or similar action, may subscribe for shares in the Subsequent Offering ("**Eligible Shareholders**"). Eligible Shareholders will be granted subscription rights that give preferential rights to subscribe for shares in the Subsequent Offering. Eligible Shareholders shall receive subscription rights proportionate to the number of shares in the Company that are registered as held by such Eligible Shareholder on the Record Date. A right to subscribe for a fraction of a share shall be rounded down to the nearest whole share. Oversubscription and subscription without subscription rights is permitted. Oversubscription and unexercised subscription rights will be allocated as determined by the Board of Directors pursuant to criteria to be set out in a prospectus to be approved by the Norwegian Financial Supervisory Authority (the "**FSA**") of Norway pursuant to chapter 7 of the Norwegian Securities Trading Act and published prior to the commencement of the subscription period in the Subsequent Offering (the "**Prospectus**"). Unless the Board decide otherwise, the Prospectus shall not be registered with or be approved by authorities outside Norway. The subscription rights are transferable, but will not be admitted for trading on Oslo Børs.*
3. *The existing shareholders' preferential rights pursuant to Section 10-4 of the PLCA is deviated from.*
4. *The subscription period for the Subsequent Offering will commence on 1 September 2020 and end on 15 September 2020 at 16:30 hrs (CET) (or at such later date as determined by the Board, but not later than commencing 16 September 2020 and ending on 30 September 2020). In the event that the Prospectus related to the share capital increase has not been approved in connection with the Subsequent Offering by the FSA by the end of 31 August 2020, the subscription period will commence on the first trading day on Oslo Børs following such approval and end at 16:30 hrs (CET) 14 days later. Subscription shall be made by signing and returning the subscription form to be attached to the Prospectus.*
5. *Payment of the subscription price shall be made within five (5) days after the expiration of the subscription period. When completing the subscription form, each subscriber domiciled in Norway shall provide a one-time irrevocable authorization to DNB Bank to debit a specific bank account with a Norwegian bank for the amount payable for the shares allocated to the subscriber. The debiting will be done on or about the deadline for payment of the subscription amount. For subscribers without a Norwegian bank account, payment shall be made pursuant to the instructions included in the subscription form attached to the Prospectus.*
6. *The new shares shall carry right to dividend or other distributions that are declared following registration of the share capital increase with the Norwegian Register of Business Enterprises (Nw.: Foretaksregisteret). The estimated costs related to the share capital increase will depend on the total subscription of shares in the Subsequent Offering, such costs being an amount up to NOK 700,000, including costs related to the Private Placement and preparation of a prospectus.*
7. *Following completion of the Subsequent Offering, the Board is authorized to amend Section 4 of the Articles of Association to state the share capital and number of shares following the Subsequent Offering.*
8. *This share capital increase is conditional upon the Extraordinary General Meeting resolving the share capital increase in accordance with the Board's proposal in section 3 above.*

5. Issuance of warrants

The Private Placement in section 3 is conditional upon the issuance of one warrant ("**Warrant**") for each share subscribed for in the Private Placement. The Warrants would have an exercise price of NOK 0.25 per share and be exercisable at any time from 31 March 2021 until 30 June 2021.

The Board further proposes that the Company is given the ability to offer Warrants to the participants in the Subsequent Offering on equal terms as for the participants in the Private Placement.

Reference is further made to the background for the Private Placement and Subsequent Offering described in sections 3 and 4.

The Board proposes the following resolutions:

5.1 Warrants issued in connection with the Private Placement

1. *The Company shall issue Warrants in accordance with Section 11-12 of the PLCA to investors participating in the Private Placement in accordance with section 3 above. The number of Warrants which may be issued shall be one Warrant for each share subscribed for and allocated in the Private Placement in accordance with section 3 of the minutes of this Extraordinary General Meeting. The warrants have an exercise price of NOK 0.25 per share and will be exercisable at any time from 31 March 2021 until 30 June 2021.*
2. *The number of Warrants to be issued is 333,866,666.*
3. *In connection with the issuance of Warrants, the exercise of any of the Warrants and the resulting share capital increase in the Company, the existing shareholders waive their preferential right to subscribe for Warrants or shares, as the case may be, according to Section 11-13 of the PLCA.*
4. *Each Warrant shall entitle the holder to demand the issuance of one share in the Company; provided, however, that in the event the Company's share capital or number of shares is changed by way of a capitalization issue, stock split, stock consolidation etc., the maximum number of Warrants (see subsection 2 above) that may be issued in accordance with this section 5.1, and the consideration for the shares to be issued in the Company upon exercise of the Warrants, shall be adjusted accordingly and rounded downwards to the nearest whole number.*
5. *The Warrants for participants in the Private Placement set out in section 3 must be subscribed for on or before 21 August 2020 (or such later date as determined by the Board of Directors, but no later than 30 September 2020).*
6. *The Warrants will be granted for no charge.*
7. *The Warrants are transferable, however, will not be admitted to trading on Oslo Børs.*
8. *Any shares that are issued by the Company under this resolution shall carry rights 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.*

5.2 Warrants issued in connection with the Subsequent Offering

1. *The Company shall issue Warrants in accordance with Section 11-12 of the PLCA to investors participating in the Subsequent Offering in accordance with section 4 above. The number of warrants which may be issued shall be one warrant for each share subscribed for and allocated in the Subsequent Offering in accordance with section 4. The Warrants have an exercise price of NOK 0.25 per share and will be exercisable at any time from 31 March 2021 until 30 June 2021.*
2. *It shall be issued minimum 6,666,666 Warrants and maximum 66,666,666 Warrants.*
3. *In connection with the issuance of Warrants, the exercise of any of the Warrants and the resulting share capital increase in the Company, the existing shareholders waive their*

preferential right to subscribe for warrants or shares, as the case may be, according to Section 11-13 of the PLCA.

4. *Each Warrant shall entitle the holder to demand the issuance of one share in the Company; provided, however, that in the event the Company's share capital or number of shares is changed by way of a capitalization issue, stock split, stock consolidation etc., the maximum number of warrants (see subsection 2 above) that may be issued in accordance with section 5.2, and the consideration for the shares to be issued in the Company upon exercise of the warrants, shall be adjusted accordingly and rounded downwards to the nearest whole number.*
5. *The Warrants for participants in the Subsequent Offering set out in section 4 must be subscribed for, at the latest, on the expiration date of the subscription period in the Subsequent Offering.*
6. *The Warrants will be granted for no charge.*
7. *The Warrants are transferable, however, will not be admitted to trading on Oslo Børs.*
8. *Any shares that are issued by the Company under this resolution shall carry rights 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.*

6. Renewal of authorizations to the Board to increase the Company's share capital by issuing new shares

The Company has customarily had in place authorizations to the Board to increase the Company's share capital to raise additional capital for the Company if and to the extent that this should be deemed advantageous. 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. The authorizations from the general meeting to the Board to issue shares in connection with private placements and/or rights issues have historically consistently been limited to 10% of the Company's share capital.

The current board authorizations are limited to 10% of the Company's registered share capital at the time of the Annual General Meeting dated 3 June 2020, and do not take into consideration the subsequent offering resolved on the Extraordinary General Meeting held on 20 May 2020 (and completed subsequent to the Annual General Meeting) or the Private Placement. In order to ensure flexibility for the Board within the standard scope, the Board proposes that the Extraordinary General Meeting renews the existing board authorizations, authorizing the Board to increase the Company's share capital in connection with private placements and/or rights issues, limited to 10% of the Company's share capital following completion of the Private Placement.

The authorizations shall expire on the date of the 2021 Annual General Meeting, however not later than 30 June 2021. The proposed authorizations will replace the Board authorizations to issue shares resolved in sections 5.1 and 5.2 of the minutes of the Annual General Meeting dated 3 June 2020.

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

6.1 Renewal of 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 3,908,982.308 (representing 10 per cent of the Company's registered share capital at the time of this Notice); provided, however, that in case of any share capital increases resolved between the date of the Notice and this resolution, 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 agenda subitems 6.1 and 6.2 exceed 10 per cent of the resolved 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 authorization contained in this agenda item 6 and agenda item 5.3 in the minutes from the Annual General Meeting on 3 June 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.*

6.2 Renewal of 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 3,908,982.308 (representing 10 per cent of the Company's registered share capital at the time of this Notice); provided, however, that in the case of any share capital increases resolved between the date of the Notice and this resolution, 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 agenda subitems 6.1 and 6.2 exceed 10 per cent of the resolved 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 authorization contained in this agenda item 6 and agenda item 5.3 in the minutes from the Annual General Meeting on 3 June 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.*

7. Renewal and amendment of the 2020 Subscription Rights Incentive Plan

Reference is made to the resolution made in section 6 in the minutes from the Annual General Meeting on 3 June 2020, renewing the Company's Subscription Rights Incentive Plan ("**2020 SR Plan**") 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.

Due to the issuance of shares and warrants subsequent to the said Annual General Meeting, the Board wishes to renew and amend the 2020 SR Plan so that maximum number of subscription rights that may be issued under the 2020 SR Plan is calculated based on the Company's share capital on a Fully Diluted basis (as hereinafter defined) as of the date of this Extraordinary General Meeting (as opposed to the 2020 Annual General Meeting). Notwithstanding the foregoing, the number of subscription rights that may be issued under the 2020 SR Plan and collectively under all the Company's subscription rights plans remain limited to 10 % of the issued and outstanding number of shares in the Company at any given time. Practically speaking, this means, by way of illustration, that more incentive subscription rights may be issued once warrants become exercised, subject to the foregoing limitations.

In addition, in order to further incentivize the Staff, it is proposed that the Board may determine to grant subscription rights to existing Staff as of the date of the Extraordinary General Meeting at a subscription price per share equal to the subscription price in the Private Placement, i.e. NOK 0.15. Such grants would be limited to a total of eight percent (8%) of the Company's share capital on a Fully Diluted basis.

Also, the Board proposes an amended vesting schedule for subscription rights under the 2020 SR Plan compared to the resolution at the 2020 Annual General Meeting.

Proposal for resolution by the Extraordinary General Meeting:

The Extraordinary General Meeting resolves a renewal of the 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 representing 10% of the Company's Fully Diluted share capital as of the date of this resolution (Fully Diluted means including shares and warrants that may be issued in the Subsequent Offering resolved in section 4 and warrants that are issued and outstanding, but excluding issued and outstanding incentive subscription rights under the Company's subscription rights programs), such maximum number to be inserted in the Minutes of the Extraordinary General Meeting. Further, the number of issued and outstanding subscription rights under the 2020 Subscription Rights Incentive Plan and collectively under all of the Company's subscription right programs shall not exceed a number corresponding to 10% of the Company's share capital 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: 50% of the subscription rights will become vested and exercisable on the one-year anniversary of the date of grant and the remaining 50% of the subscription rights will become vested and exercisable on the two-year anniversary of 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.

Notwithstanding the preceding paragraph, the Board may resolve a grant of subscription rights to existing employees and individual consultants as of the date of this Extraordinary General Meeting with an exercise price per share equal to the subscription price in the Private Placement, being NOK 0.15. The maximum number of shares that may be issued with such exercise price shall under no circumstances exceed eight percent (8%) of the Company's share capital on a Fully Diluted basis; subject, however, to the limitations set out in the last sentence of the fourth paragraph of this resolution.

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.

This resolution replaces the previous resolution by the General Meeting in section 6 in the minutes from the Annual General Meeting held on 3 June 2020.

8. Board remuneration; issuance of subscription rights

The Nomination Committee will present a proposal for the grant of incentive subscription rights to the members of the Board of Directors, such proposal to be provided and announced prior to the Extraordinary General Meeting.

Oslo, 29 July 2020

Thin Film Electronics ASA

Morten Opstad,
Chairman of the Board of Directors

GUIDE FOR ONLINE PARTICIPATION AT GENERAL MEETING 19 AUGUST 2020

Thin Film Electronics ASA will be conducting the meeting as a digital meeting, giving you the opportunity to participate online by using your computer, phone or tablet. This is a precautionary measure to prevent the spread of Covid-19. Therefore, there will be no option for physical presence. Note that you may grant a proxy. Please refer the notice of the EGM and appendices for further information on proxies, which may include a voting instruction.

The digital EGM is administered by DNB Bank ASA, Registrars Department, which has licensed the software for the online AGM from Lumi Ltd., giving all shareholders the option to attend the EGM on an online platform.

By attending the online EGM, you will receive a live audicast of the meeting, possibility to submit questions relating to the items on the agenda and cast your votes on each item on the agenda. Secure identification of shareholders is done by using the unique reference number and PIN code assigned to each shareholder by the Norwegian Central Securities Depository (In Norwegian "Verdipapirsentralen" or "VPS") in relation to this EGM.

No registration is needed for participating through the online solution, however, please note that you must be logged in before the meeting starts. The following will provide you with information on how to access, participate and submit your votes at the online EGM.

Shareholder who do not find their reference number and PIN code for access are welcome to contact DNB Registrars Department by e-mail genf@dnb.no or by phone + 47 23 26 80 20.

HOW TO ACCESS THE ONLINE EGM

STEP 1

In order to attend the online AGM you need access to the Lumi solution by doing either of the following:

- a) **Use the Lumi AGM app:**
Download the Lumi AGM app from the Apple App Store or Google Play Store by searching for Lumi AGM, or
- b) **Visit <https://web.lumiagm.com>:**
Go to the Lumi AGM website <https://web.lumiagm.com> either on your smartphone, tablet or computer. You will need the latest versions of Chrome, Safari, Internet Explorer 11, Edge or Firefox. Please ensure your browser is compatible.

STEP 2

Once you have either downloaded the **Lumi AGM app** or entered <https://web.lumiagm.com> into your web browser, you'll be asked to enter the following **meeting ID** and click **Join**:

Meeting ID: 128-963-745

STEP 3

You will then be required to enter your ID:

- a) **Reference number from VPS for the EGM**
- b) **PIN code from VPS for the EGM**

You will be able to log in one hour before the meeting starts.

When successfully authenticated, the info screen will be displayed. You can view company information, submit questions relating to the items on the agenda and live stream the audicast.



HOW TO RECEIVE YOUR REFERENCE NUMBER AND PIN CODE

All shareholders registered in the VPS are assigned their own unique reference and PIN code for use in the Meeting, available to each shareholder through VPS Investor Services.

Access VPS Investor Services, select Corporate Actions, General Meeting. Click on the ISIN and you can see your reference number (Ref.nr.) and PIN code.

All VPS registered shareholders may access VPS Investor Services through www.vps.no or internet bank. Contact your VPS account operator if you do not have access.

Shareholders who have not selected electronic corporate messages in investor Services will in addition have received their reference number and PIN code on the attendance form together with the notice of the AGM from the company.

Nominee registered shareholders: Shares held through nominee accounts (non-Norwegian shareholders only) must be transferred to a separate VPS account registered in the name of the beneficial shareholder in order to participate in the EGM. Once shares have been transferred to the separate VPS account, a reference number and PIN code are assigned to this account. Please contact your custodian for further information and/or instructions on obtaining your reference number and PIN code for nominee registered shares.

HOW TO VOTE

Once the voting has opened, the polling icon  will appear on the navigation bar at the bottom of the screen. From here, the resolutions and voting choices will be displayed.

To vote, simply select your voting direction from the options shown on screen. A confirmation message will appear to show your vote has been received.

For - Vote received

To change your vote, simply select another voting direction. If you wish to cancel your vote, please press Cancel.

Once the chairperson has opened voting, voting on any item can be performed at any time during the meeting until the chairperson closes the relevant voting on the specific resolution. Your last choice before the voting is closed will be final and cannot be changed.

Please note that any proxy, with or without voting instruction registered prior to the meeting, is final.



QUESTIONS TO THE CHAIRPERSON

Questions or messages relating to the items on the agenda can be submitted by the shareholder or appointed proxy at any time during the Q&A session up until the chairperson closes the session.

If you would like to ask a question relating to the items on the agenda, select the messaging icon. 

Type your message within the chat box at the bottom of the messaging screen. Once you have completed your message, click the Send button.

Questions submitted online will be moderated before being relayed to the chairperson to avoid repetition and to remove any inappropriate language. All questions and messages will be presented with the full name of the shareholder.

DOWNLOADS

Links will be available on the info screen. When you click on a link, the selected document will open in your browser.

Data usage for streaming the annual shareholders' meeting or downloading documents via the AGM platform varies depending on individual use, the specific device being used for streaming or download (Android, iPhone, etc) and your network connection (3G, 4G).

Ref. no.:

PIN code:

Notice of Extraordinary General Meeting

An Extraordinary General Meeting of Thin Film Electronics ASA will be held on 19 August 2020 at 09:00

The Extraordinary General Meeting of Thin Film Electronics ASA will be held as an electronic meeting and you are invited to participate in the General Meeting online, see further information in Appendix 1 of the Notice of the General Meeting.

Notice of attendance

The undersigned will attend the Extraordinary General Meeting on 19 August 2020 and vote for:

A total of _____ Shares
Own shares
Other shares in accordance with enclosed Power of Attorney

This notice of attendance must be received by DNB Bank ASA no later than 12 noon on 17 August 2020.

Notice of attendance may be sent electronically through the Company's website www.thinfilmssystems.com menu item INVESTORS or through VPS Investor Services. To access the electronic system for notification of attendance through the Company's website, the above-mentioned reference number and PIN code must be stated. It may also be sent by e-mail: genf@dnb.no. Regular mail to DNB Bank ASA, Registrar's Department, P.O.Box 1600 Sentrum, 0021 Oslo, Norway.

Place Date Shareholder's signature
(If attending personally. To grant a proxy, use the form below)

Proxy (without voting instructions)

Ref. no.:

PIN code:

This proxy form is to be used for a proxy without voting instructions. To grant a proxy with voting instructions, please go to page 2.

If you are unable to attend the Extraordinary General Meeting in person, this proxy may be used by a person authorised by you, or you may send the proxy without naming the proxy holder, in such case, the proxy will be deemed to be given to the Chairman of the Board of Directors or a person authorised by him.

The proxy form should be received by DNB Bank ASA, Registrar's Department no later than 12 noon on 17 August 2020. **The proxy may be sent electronically through the Company's website www.thinfilmssystems.com menu item INVESTORS or through VPS Investor Services.** It may also be sent by e-mail: genf@dnb.no. Regular mail to DNB Bank ASA, Registrar's Department, P.O.Box 1600 Sentrum, 0021 Oslo, Norway.

The undersigned: _____
hereby grants (tick one of the two):

the Chairman of the Board of Directors (or a person authorised by him), or

(Name of proxy holder in capital letters)

a proxy to attend and vote for my/our shares at the Extraordinary General Meeting of Thin Film Electronics ASA on 19 August 2020.

Place Date Shareholder's signature
(Signature only when granting a proxy)

With regard to rights of attendance and voting, reference is made to the Norwegian Public Limited Companies Act, in particular Chapter 5. If the shareholder is a company, the company's certificate of registration must be attached to the proxy.

Ref. no.:
PIN code:
Proxy (with voting instructions)

This proxy form is to be used for a proxy with voting instructions. If you are unable to attend the Extraordinary General Meeting in person, you may use this proxy form to give voting instructions. You may grant a proxy with voting instructions to a person authorised by you, or you may send the proxy without naming the proxy holder, in which case the proxy will be deemed to have been given to the Chairman of the Board of Directors or a person authorised by him.

The proxy form must be received by DNB Bank ASA, Registrar's Department, no later than 12 noon on 17 August 2020. It may be **sent by e-mail: genf@dnb.no** /regular mail to DNB Bank ASA, Registrar's Department, P.O. Box 1600 Sentrum, 0021 Oslo, Norway.

The undersigned: _____
hereby grants (tick one of the two):

- the Chairman of the Board of Directors (or a person authorised by him), or

Name of proxy holder (in capital letters)

a proxy to attend and vote for my/our shares at the Extraordinary General Meeting of Thin Film Electronics ASA on 19 August 2020.

The votes shall be exercised in accordance with the instructions below. Please note that if any items below are not voted on (not ticked off); this will be deemed to be an instruction to vote "for" the proposals in the notice. However, if any motions are made from the floor in addition to or in replacement of the proposals in the notice, the proxy holder may vote or abstain from voting at his or her discretion. In such case, the proxy holder will vote on the basis of his or her reasonable understanding of the motion. The same applies if there is any doubt as to how the instructions should be understood. Where no such reasonable interpretation is possible, the proxy holder may abstain from voting.

Agenda Extraordinary General Meeting 19 August 2020		For	Against	Abstention
1	Election of chairman of the meeting	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Approval of notice and agenda	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.	Private placement; issuance of new shares and amendment of the Company's Articles of Association			
3.1	Private placement; issuance of new shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3.2	Amendment of the Company's Article of Association	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Subsequent Offering; issuance of new shares and amendment of the Company's Articles of Association	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.	Issuance of warrants			
5.1	Warrants issued in connection with the Private Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5.2	Warrants issued in connection with the Subsequent Offering	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.	Renewal of authorizations to the Board to increase the Company's share capital by issuing new shares			
6.1	Renewal of board authorization to issue shares in private placements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6.2	Renewal of board authorization to issue shares in rights issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7.	Renewal and amendment of the 2020 Subscription Rights Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8.	Board remuneration; issuance of subscription rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Place

Date

Shareholder's signature
(Only for granting proxy with voting instructions)

With regard to rights of attendance and voting, reference is made to the Norwegian Public Liability Companies Act, in particular Chapter 5. If the shareholder is a company, the company's certificate of registration must be attached to the proxy.