



**THE NOMINATION COMMITTEE'S PROPOSAL TO  
THE ANNUAL GENERAL MEETING IN THIN FILM ELECTRONICS ASA (THE  
"COMPANY") ON  
28 MAY 2019**

**Presentation of the work of the Nomination Committee**

The Nomination Committee was elected at the annual general meeting ("AGM") on 4 May 2018 and has been comprised of Robert N. Keith (Chairman), Rune Sundvall, and Christian Schlytter-Henrichsen.

**Remuneration to the members of the Board for the period 2018-2019**

The Nomination Committee proposes the following resolution to be approved by the Annual General Meeting:

*The Chairman of the Board of Directors, Morten Opstad, shall receive NOK 325,000 while the Board members Laura Ann Oliphant, Preeti Mardia and Tor Mesøy each shall receive a remuneration of NOK 250,000 for service on the Board from the date of the 2018 Annual General Meeting until the date of the 2019 Annual General Meeting. Former Board member Richard Philip Bernstein shall receive a remuneration of NOK 210,000 for service on the Board from the date of the 2018 Annual General Meeting until the date of his retirement from the Board effective as of 25 February 2019.*

As the Company sees benefits in restraining the outflow of liquidity, and the Board members have indicated that they may be interested in receiving shares in the Company, the Board proposes that the Board members, as an alternative to cash payment, can elect to receive all or part of the remuneration in the form of shares in the Company.

The Board proposes the following resolution to be approved by the Annual General Meeting:

*The Board members can elect to receive all or part of the board remuneration in the form of shares in the Company. The number of shares to which the Board members would be entitled shall be calculated as follows: The Board member shall be entitled to subscribe for shares having a total market value (based on the closing price of the Company's shares on the date of the 2019 Annual General Meeting) of 120 per cent of the NOK amount granted as board remuneration; provided, however, that the Board member must pay a subscription price per share equal to the par value of the share at the time of subscription, being NOK 0.11 at the date of the 2019 Annual General Meeting.*

*To the extent a Board member wishes to receive board remuneration in the form of shares, the Board member must notify the Company and subscribe for the shares within the start of trading on Oslo Børs on the trading day immediately subsequent to the date of the 2019 Annual General Meeting, and also pledge to not sell the shares before the earlier of the Annual General Meeting of the Company in 2020 and 30 June 2020. Payment of the subscription price shall be made no later than 30 June 2019.*

*In order to facilitate the foregoing, the Board is authorized to accomplish one or more share capital increases with a maximum of NOK 100,000 for the purpose of issuing shares to those Board members who elect to receive shares as opposed to cash on the aforesaid terms, and to amend the Company's Articles of Association accordingly. Existing shareholders are waiving their pre-emptive right to subscribe for shares according to the PLLCA in event of a share capital extension as authorized herein. The new shares, which may be subscribed for according to this resolution, 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 Company Registry. The Board authorization is valid until 30 June 2019.*

## **Board Election**

The current Board consists of Morten Opstad (Chairman), Laura Ann Oliphant, Tor Mesøy, and Preeti Mardia, following the Board's acceptance of the early retirement of Mr Richard Bernstein effective as of 25 February 2019. The seats of Morten Opstad, Laura Ann Oliphant and Tor Mesøy is up for election, in addition to the empty seat following Mr Bernstein's early retirement.

Mr. Opstad and Ms. Oliphant has expressed a willingness to stand for re-election for a new term. The Nomination Committee has been informed that Mr. Mesøy does not wish to be re-elected as member of the Board for a new term.

In addition to the above, Ms. Preeti Mardia has informed the Nomination Committee that she desires to retire from the Board.

The Nomination Committee has after consulting with some of the larger shareholders been searching for new board members with a background reflecting the Company's new strategy. An international search firm has also been assigned to find suitable candidates both with corporate and commercial competence within the different market verticals for the new strategy. The committee proposes that the board for the time being only should consist of four members – also due to the special requirements in the Norwegian Public Limited Company Act for half of the board to reside within the EU. To accommodate the shareholder's wish for commercial background for new board members, the committee proposes two new board members from the US, and one new residing in Sweden – Adele Robberstad – currently CEO of The Island Rum Company and previously CEO of Peter F. Heering, Maison Heinrich – Xante' North America. She is not able to join before after the upcoming extraordinary general meeting and will hence be formally proposed to that shareholder meeting. Ms. Preeti Mardia will continue in her board position until such time. Due to the proposed reduction in the size of the board and the residency requirement, Laura Oliphant will not be proposed for a new term.

The current Board members are presented in the 2018 annual report. Proposed new Board members, Mr. Jon S. Castor and Kelly S. Doss, are presented in [Annex 1](#) to this recommendation. The new CEO of the Company, Mr. Kevin Barber, has expressed a desire for direct communications with the Board or a committee appointed by the Board on operational and strategic issues. The Nomination Committee believes Mr. Jon S. Castor may provide valuable experience to such discussions, and therefore urge the new Board to appoint a Strategy Committee with Mr. Jon S. Castor as Chairman.

The Nomination Committee proposes the following resolution to be approved by the Annual General Meeting:

*Morten Opstad is re-elected as Chairman for another two-year term. Preeti Mardia continues as board member until such time that Adele Robberstad is proposed to be elected as Board member for a two-year term. Mr. Jon S. Castor and Kelly S. Doss are elected as board members each for a period of two years.*

Further to the foregoing, the proposal is therefore that the Board will consist of Morten Opstad (Chairman), Preeti Mardia, Jon S. Castor and Kelly S. Doss.

## **Remuneration to certain members of the Board for the period 2019-2020**

Certain of the new Board members have requested that the Annual General Meeting preapproves the remuneration for the period 2019-2020 in connection with the appointment as Board member. The Nomination Committee therefore proposes the following resolution to be approved

by the Annual General Meeting:

*Board members Jon S. Castor, Kelly S. Doss and Morten Opstad shall receive a remuneration of USD 40,000 (or an amount in NOK equivalent thereof) fixed annual fee paid quarterly in arrears with first payment due 31 August 2019 for service on the Board from the date of the 2019 Annual General Meeting until the date of the 2020 Annual General Meeting.*

*Board member Jon S. Castor shall further receive a remuneration of USD 60,000 (or an amount in NOK equivalent thereof) fixed annual fee paid quarterly in arrears with first payment due 31 August 2019 for service as Chairman of a strategy committee to be appointed by the Board of Directors supporting the CEO of the Company in relation to strategic questions from the date of the 2019 Annual General Meeting until the date of the 2020 Annual General Meeting.*

### **Application of 2019 Subscription Rights Incentive Plan to certain members of the Board for the period 2019-2021**

In addition to the proposed remuneration for the period 2019-2020 above, certain of the new Board members requested to be incentivised with subscription rights under the 2019 Subscription Rights Incentive Plan, however on slightly different terms.

The Nomination Committee therefore proposes that Board member Jon S. Castor shall receive 8,000,000 subscription rights under the 2019 Subscription Rights Incentive Plan, and Kelly S. Doss 4,000,000 subscription rights, however on the following adjusted terms:

*The subscription rights shall be subscribed for by the Board member no later than one – 1 – day prior to the date of the 2020 Annual General Meeting.*

*50.0% of the subscription rights shall vest and become exercisable on the earlier of the anniversary of the 2019 Annual General Meeting and one – 1 – day prior to the 2020 Annual General Meeting. The remaining 50.0% of the subscription rights shall vest and become exercisable on the earlier of the two – 2 – year anniversary of the 2019 Annual General Meeting and one – 1 – day prior to the 2021 Annual General Meeting.*

*If the board member for any reason ceases to be a Board member of the Company, the subscription rights shall terminate immediately upon the leaving date to the extent not yet vested pursuant to the preceding paragraph.*

*The subscription rights granted to a Board member may be exercised no later than the date of the 5-year anniversary of the 2019 Annual General Meeting. However, if the Board member resigns without good reason and/or is terminated for Cause, all issued and vested subscription rights issued to that Board member may be exercised no later than ninety – 90 – days after the effective date of such resignation/termination.*

The Nomination Committee further proposes that the above proposal is implemented by the 2019 Annual General Meeting by way of adjustments to the proposed resolution under item 6.1 (2019 Subscription Rights Incentive Plan) of the Notice to the 2019 Annual General Meeting. An amended proposal for a resolution will be presented at the 2019 Annual General Meeting.

### **Remuneration to the Nomination Committee**

The Nomination Committee proposes the following resolution to be approved by the Annual General Meeting:

*The Chairman of the Nomination Committee, Robert N. Keith, has waived his right to a remuneration fee. Each of the other members, Rune Sundvall and Christian Schlytter-*

*Henrichsen, shall receive a remuneration of NOK 15,000 for service on the Nomination Committee from the date of the 2018 Annual General Meeting until the date of the 2019 Annual General Meeting.*

### **Nomination Committee Election**

All Nomination Committee members have expressed a willingness to continue on the Committee. Hence, the Nomination Committee proposes that:

*Members of the Nomination Committee Robert N. Keith, Rune Sundvall, and Christian Schlytter-Henrichsen are re-elected for a new one-year term.*

24 May 2019

*The Nomination Committee of Thin Film Electronics ASA*

## **Annex 1: Presentation of proposed new Board Members**

### Mr. Jon S. Castor

Jon Castor is an entrepreneur and active independent private and public company director. His 25 years of senior leadership experience has included building both classic Silicon Valley venture funded startups and two new divisions for Fortune 500 companies. He also has considerable private and public company M&A experience, including leading the team of a venture he co-founded through a double exit.

His industry experience includes ICs, systems, and software, digital media, consumer electronics and services, and multiple forms of advanced and renewable power generation. Jon's Silicon Valley venture successes include Omneon, where the team built the world leader in broadcast video servers, and TeraLogic, a pioneering HDTV venture supported by Sony, Mitsubishi, and Samsung, where he was co-founder and CEO.

Jon has an MBA from Stanford's Graduate School of Business, and a BA with Distinction from Northwestern University.

### Ms. Kelly S. Doss

Kelly Doss is a senior marketing executive and brand consultant. She has over 25 years of experience in global brand management with a strong track record of delivering breakthrough revenue and sales growth in varying channels of distribution. She has considerable expertise across the marketing, innovation, & operational functions in both the Alcohol Beverage and Beauty categories.

Her industry experience includes 15 years in the global spirits category and 10 years in the beauty industry across hair care, skin care, & Beam Suntory in both EMEA (based in Madrid) and North America. Over the course of her career, leading cross-functional teams, she has launched well over 100 new products & multiple global packaging restages.

Kelly has a Masters in International Management from the Thunderbird School of Global Management, and a BA with honors from the University of Michigan.