



**NOTICE OF ANNUAL GENERAL MEETING IN  
THIN FILM ELECTRONICS ASA**

Notice is hereby given that the Annual General Meeting of Thin Film Electronics ASA ("the Company") will take place:

**Wednesday 6 May 2009 at 08.00 hours  
at Vika Atrium Conference Centre, Munkedamsveien 45 in Oslo.**

At the date of the instant notice the Company's share capital amounted to NOK 2,413,081.99 divided into 21,937,109 ordinary shares with par value per share of NOK 0.11. Each share gives right to one vote at the General Meeting. At the date of the instant notice the Company did not hold own shares. The Company's articles of association are printed in the annual report for 2008 on page 32.

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 shareholders present, in person or by proxy. Election of a person to chair the Meeting and a person to sign the minutes.**

The Chairman of the Board of Directors of the Company, namely Mr. Morten Opstad, will open the Annual General Meeting. The Board of Directors ("Board") proposes that Mr. Morten Opstad shall be elected to chair the meeting.

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

**3. Approval of the Annual Financial Statements and Annual Report for the financial year 2008**

The Board proposes to the Annual General Meeting that the 2008 annual financial statements and annual report be approved in all respects.

**4. Approval of the statement on management remuneration policy**

Pursuant to Section 6-16a of the Norwegian Public Limited Companies Act ("PLCA"), ref Section 5-16, paragraph 3 of the PLCA, the Board proposes the following resolution:

- (a) *Guiding executive remuneration policy*  
*The Annual General Meeting acknowledges the statement on executive remuneration, conf. Section 6-16a of the PLCA, as presented by the Board in note 22 to the consolidated annual financial statements for 2008. In case the Board in any new agreement valid in 2010 departs from the guidelines for 2010, the reason shall be stated in the minutes of the Board meeting.*
- (b) *Binding executive remuneration policy*  
*The Annual General Meeting refers to its resolution on item 7 on the agenda of the instant meeting. Any other share-based remuneration program must be presented for consideration at a general meeting.*

## 5. Rights issue together with allotment of independent subscription rights

In order to strengthen the Company's financial position, and secure necessary working capital for the business and technical development and commercialization of the Company's technology within printed electronics, the Board proposes that the general meeting resolves to implement a rights issue towards the existing shareholders in the Company.

Together with each share subscribed for and allotted in the rights issue, the subscriber will subscribe for and be allotted one (1) independent subscription right. The details of the allotment of subscription rights are set forth in Subsection II below.

It is proposed that the following is resolved:

### *I Rights issue*

- (a) The Company's share capital is increased with, at a minimum, NOK 5,000,000 and, at a maximum, NOK 12,065,409.95, by issuance of, at a minimum, 45,454,545 shares and, at a maximum, 109,685,545 shares.*
- (b) The nominal value per share is NOK 0.11.*
- (c) The subscription price is NOK 0.11 per new share and shall be paid in cash.*
- (d) The Company's shareholders as of 7 May 2009 have a pre-emptive right to subscribe for and be allotted new shares. Non-transferable subscription rights shall be issued for this preferential right. The Company will grant five (5) new shares in the rights issue for each one (1) share owned by the shareholders as of 7 May 2009. Oversubscription is permitted. Allocation to over-subscribers shall be determined by the Board in accordance with Section 10-4 (3), 1<sup>st</sup> and 2<sup>nd</sup> sentences of the PLCA.*
- (e) Independent subscription rights must be subscribed for together with the new shares in accordance with Subsection II below.*
- (f) The Company shall issue a prospectus approved by Oslo Børs in connection with the capital increase. Unless the Board otherwise determines, the prospectus shall not be registered with or approved by any foreign authorities other than Oslo Børs. The new shares cannot be subscribed for by investors in jurisdictions in which it is not permitted to offer new shares to the investors in question without the registration or approval of the prospectus (unless such registration or approval has taken place pursuant to a resolution by the Board).*
- (g) The new shares shall be subscribed for in a separate subscription form in the period 13 May 2009 until 27 May 2009, provided, however, that the subscription period shall not commence before the prospectus for the rights issue have been approved by Oslo Børs. In the event the prospectus is not approved by 13 May 2009, the subscription period and deadline for payment shall be adjusted accordingly by the number of days required to obtain the approval of the prospectus after 13 May 2009.*
- (h) In the subscription for shares, each subscriber must in the subscription form grant DnB NOR Bank ASA a one-off authorization to debit a specified Norwegian bank account for an amount equal to the amount to be paid for the number of shares allotted to the subscriber. Upon allotment of the shares, DnB NOR Bank ASA will debit the subscriber's account for the allotted amount. Debit will take place on or about 3 June 2009.*
- (i) The new shares shall give right to dividend declared after the date the share capital increase has been registered in the Norwegian Register of Business Enterprises. Otherwise the new shares rank equally to the other shares of the Company as from the date the share capital increase is registered in the Norwegian Register of Business Enterprises.*

- (j) *Section 4 of the Articles of Association shall be amended so to reflect the correct share capital and number of shares after the capital increase and the Board is authorized to resolve the final share capital increase and to amend the Articles of Association accordingly.*
- (k) *The Company will prior to the Annual General Meeting seek a pre-commitment from certain major shareholders to participate in the rights issue and, upon obtaining any such pre-commitment, will immediately disclose same through the Oslo Axess information system.*

## II Issuance of independent subscription rights

- (a) *Provided that the minimum subscription of the rights issue is achieved, independent subscription rights shall be issued in the minimum amount of 45,454,545 subscription rights and the maximum amount of 109,685,545 subscription rights.*
- (b) *The independent subscription rights may only be subscribed for together with shares in the rights issue. The independent subscription rights may be subscribed for by the same persons as those subscribing for new shares in the rights issue and with equivalent preferential rights. The grant of independent subscription rights as contemplated by Subsection II (a) above shall be made so that the subscription for one (1) new share in the rights issue shall lead to the allotment of one (1) independent subscription right.*
- (c) *The independent subscription rights shall be subscribed for in a subscription form in the period from 13 May 2009 until 27 May 2009 together with the subscription for shares; provided, however, that the subscription period shall not commence before the prospectus for the rights issue has been approved by Oslo Børs. In the event the prospectus is not approved by 13 May 2009, the subscription period shall be adjusted accordingly by the number of days required to obtain the approval of the prospectus after 13 May 2009.*
- (d) *No separate consideration shall be paid for the independent subscription rights.*
- (e) *Each independent subscription right gives the right to require issued one (1) new share in the Company, each with a nominal value of NOK 0.11, at a subscription price of NOK 0.11.*
- (f) *The independent subscription rights shall expire, and no longer be exercisable, on 6 November 2010. No subscription rights may be exercised until 6 May 2010 and then only in the period 6-31 May 2010, with a further and final exercise period between 1 September and 6 November 2010 (which latter exercises will be registered in the Register of Business Enterprises as soon as reasonably practicable after the expiration date of the subscription rights)*
- (g) *Exercise of the independent subscription rights shall be made by a written request to the Board, clearly instructing the Company that the independent subscription rights of such subscriber shall be exercised, and including the number of shares to be subscribed for.*
- (h) *Payment for subscribed shares shall be made no later than ten (10) business days after the exercise notice is received by the Board.*
- (i) *In the event of the Company resolving to increase or reduce its share capital, a new resolution to issue subscription rights, or on liquidation, merger, demerger or reorganization, the holder of independent subscription rights, to the extent possible, shall have the same rights as a shareholder.*
- (j) *Shares issued on the basis of the independent subscription rights will carry rights to dividends from such time such shares are issued.*

## 6. Authorization to the Board to issue new shares

The Board of Directors of the Company proposes that the Board is authorized to increase the Company's share capital in connection with mergers, acquisitions, private placements, rights issues and share issues to partners in joint venture relationships. This authorization will be a renewal of the equivalent authorization granted at the 2008 Annual General Meeting.

Generally, as the Company is working to further develop business opportunities it is necessary that the Board is able to commit transactions on a short notice. The required 14 days' notice for a general meeting may delay this process.

To ensure the necessary flexibility for the Board, the Board proposes that the Annual General Meeting authorizes the Board to issue shares and increase the share capital of the Company in connection with mergers, acquisitions, private placements, rights issues and share issues to partners in joint venture relationships. The authorization shall expire on the date of the 2010 Annual General Meeting, however not later than 30 June 2010. The authorization shall be maximized to a total nominal value of NOK 4,343,547.58 (representing 30 per cent of the maximum enlarged share capital of the Company following the rights issue contemplated in agenda item 5 above); provided, however, that under no circumstances shall the authorization exceed 50 percent of the registered share capital at the time of registration of the authorization in the Register of Business Enterprises.

Proposal for resolution by the Annual General Meeting:

- "1. The Board of Directors of Thin Film Electronics ASA ("the Company") is authorized to accomplish one or more share capital increases by issuing a number of shares with a maximum total nominal value of NOK 4,343,547.58 (representing 30 per cent of the maximum enlarged share capital of the Company following the rights issue contemplated in agenda item 5 above); provided, however, that under no circumstances shall the authorization exceed 50 per cent of the registered share capital at the time of registration of the authorization in the Register of Business Enterprises. Any and all previous authorizations given to the Board of Directors to issue shares shall be, and hereby are, withdrawn with effect from the date this authority is registered with the Norwegian Register of Business Enterprises.*
- 2. The instant authorization may be used in connection with the following:*
  - (a) Acquisition of (i) other companies with activities within the scope of the Company's business as stated in the Articles of Association (a "Target Company"), or (ii) a business and/or assets suitable for inclusion in the Company's business as stated in the Articles of Association (a "Target Business") by issuance of shares in the Company as consideration to the selling shareholders of the Target Company or the seller of the Target Business.*
  - (b) Mergers with companies with a related activity by issuance of shares in the Company as consideration to the shareholders of the other company in the merger.*
  - (c) Private placements and share issues to suitable investors (may be existing shareholders or new shareholders) to raise additional capital for the Company.*
  - (d) Rights issues to existing shareholders to raise additional capital for the Company*

- (e) *Private placement of shares to partners in a joint venture relationship.*
3. *In the event the Company's share capital 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 preemptive right to subscribe for shares according to the PLCA in event of a share capital extension 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.*
- Issue price in case of capital increases pursuant to clauses 2 (a) and (b) above can not be lower than the market price at the date of the agreement for acquisition (clause 2 (a)) or date of agreement for merger (clause 2 (b)), which market price can be (i) the closing price on Oslo Axess; or (ii) the average closing price of a period, the length of which to be determined by the Board, immediately preceding or subsequent to the date of acquisition or merger. Issue price in connection with share capital increases in accordance with clause 2 (c)-(e) shall be determined by the Board in consultation with its financial advisors.*
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 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 2010 Annual General Meeting, but not later than 30 June 2010.*
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.*

## **7. 2009 Subscription Rights Incentive Plan**

The Board proposes an incentive program for employees, directors and consultants engaged in similar work ("Staff") for the next one-year period until the 2010 Annual General Meeting.

The Board proposes that the maximum number of independent subscription rights that may be granted and outstanding under the Company's subscription right programs will be 10 per cent of the number of shares in the Company following consummation of the share issue contemplated in agenda item 5 above.

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

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

Proposal for resolution by the Annual General Meeting:

*"The Company issues independent subscription rights to employees and directors of Thin Film Electronics ASA, and its subsidiaries and affiliated companies (hereinafter collectively referred to as "the Company") and to individual consultants on long-term contract performing similar work.*

*Each subscription right shall entitle the holder to demand 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 subscription rights (see next paragraph) that may be issued under the subscription rights program, and the consideration for the ordinary shares to be issued in the Company upon exercise of the subscription rights, shall be adjusted accordingly.*

*The number of subscription rights to be issued shall be a minimum number of one (1) subscription right and a maximum number of 13,162,265 subscription rights; provided, however, that the number of issued and outstanding subscription rights under all of the Company's subscription right programs shall not exceed 10 per cent of the number of shares in the Company following consummation of the share issue contemplated in agenda item 5 above.*

*The subscription rights must be subscribed for by no later than the business day immediately preceding the date of the 2010 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 25 per cent each year beginning one year from the date of the grant of the subscription rights.*

*Except as otherwise expressly determined by the Board, in the event of a Change in Control, subscription rights shall accelerate and immediately become one hundred per cent (100%) vested as of the date of the consummation of the Change in Control. For the purpose of this paragraph, Change of Control shall mean the occurrence of any of the following events: (i) Any acquisition, sale or disposition of stock or assets of the Company or merger or other form of consolidation resulting in a change of ownership of all or substantially all of the Company's assets, (ii) any legal person becoming the beneficial owner, directly or indirectly, of securities of the Company representing fifty per cent (50%) or more of the combined voting power of the Company's then-outstanding securities; or (iii) the complete liquidation of the Company (pursuant to a plan approved by the shareholders of the Company).*

*Vesting of subscription rights is dependent on the subscription right holder maintaining his or her employment, directorship or consultancy, as the case may be, in or with the Company. Subscription rights that have not vested may not be exercised after the holder ceases his or her employment, elected office or consultancy in or with the Company. Vested subscription rights must be exercised within ninety (90) days following the effective date of termination of employment, elected office or consultancy, otherwise the subscription rights will lapse.*

*The Board shall establish the further rules and procedures in regard to vesting and exercise in cases of resignation or other termination of employment, office 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 are waiving their preferential right to subscribe for subscription rights or shares, as the case may be, according to the PLCA.*

*As consideration for the ordinary 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 shall be equal to the average closing price of the Company's share, as reported by Oslo Axess over ten (10) trading days 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 ordinary 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 ordinary shares, hereunder those referenced in §11-12 (2) (9) of the PLCA, shall attach from the date of issuance of the said ordinary shares."*

## **8. Remuneration of the members of the Board of Directors.**

The 2008 Annual General Meeting resolved that Board remuneration shall be approved for a period from the previous Annual General Meeting to the then current Annual General Meeting.

As the Company is in need of liquidity and the Board members have informed that they may be interested in receiving subscription rights in the Company, it is proposed that the Board members, as an alternative to a cash payment, can elect to receive all or part of the remuneration in the form of independent subscription rights in accordance with the resolution under agenda item 7 above. The number of subscription rights to which the board members would be entitled is proposed to be calculated by dividing the cash remuneration by the subscription right value, as of the date of the Annual General

Meeting, where the subscription right value shall be based on the Company's option pricing model for accounting purposes.

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

*The Chairman of the Board of Directors, Morten Opstad, shall receive NOK 120,000 while the Board members Rolf Åberg, Catarina Göthe, William R. Salaneck and Katarina Segerborg each shall receive a remuneration of NOK 60,000 for service on the Board from the date of the 2008 Annual General Meeting until the date of the 2009 Annual General Meeting.*

*The Board members can elect to receive all or part of the board remuneration in the form of independent subscription rights in accordance with agenda item 7 above. The number of subscription rights to which the board members would be entitled is proposed to be calculated by dividing the cash remuneration by the subscription right value, as of the date of the Annual General Meeting, where the subscription right value shall be based on the Company's option pricing model for accounting purposes. To the extent a Board member wishes to receive board remuneration in the form of subscription rights, the Board member must notify the Company within the start of trading on Oslo Axess on the trading day immediately subsequent to the date of the Annual General Meeting.*

## **9. Election of the Board of Directors**

Each of the Board members stands for election. The Board proposes that the entire Board, consisting of Morten Opstad (Chairman), Catarina Göthe, William R. Salaneck, Katarina Segerborg and Rolf Åberg, is re-elected for a new term of 2 years. The board members are presented in the annual report 2008 on page 33.

## **10. Approval of the remuneration of the auditor**

The Board proposes that the Annual General Meeting approves the payment of the auditor's fees for 2008 against invoice.

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If you wish to attend the Annual General Meeting on 6 May 2009 in person or by proxy, we ask you that notify and return the enclosed notification/power of attorney to the Company's registrar, DnBNOR Securities Services, no later than 4 May 2009 at 16.00 hrs.

22 April 2009  
Thin Film Electronics ASA

Morten Opstad  
Chairman of the Board of Directors