

## **INSTRUCTIONS FOR THE NOMINATION COMMITTEE OF THIN FILM ELECTRONICS ASA**

*Resolved by the Annual General Meeting, 10 May 2012*

### **DUTIES**

According to the Company's Articles of Association as proposed by the Board, the nomination committee shall prepare and present proposals to the Annual General Meeting in respect of the following matters:

- Propose candidates for election to the Board of Directors
- Propose the remuneration to be paid to the Board members
- Propose candidates for election to the nomination committee
- Propose the remuneration to be paid to the nomination committee members

The nomination committee shall comply with the relevant sections in the Norwegian Code of Practice for Corporate Governance, as amended from time to time.

When proposing the composition of the Board, the nomination committee shall ensure that the Board is able to serve the joint interests of all shareholders, meet the Company's need for expertise, that the Board members have sufficient capacity for the tasks and that the Board represents diversity.

The nomination committee's proposal for composition of the Board shall also take into consideration that the Board shall work effectively and efficiently as a team. The composition of the Board shall ensure that the Board can act independently of any special interests. The majority of the shareholder elected members should be independent of the Company's executive management and important business relations, and minimum two of the shareholder elected members should be independent of the Company's main shareholders. Executive managers shall not be Board members.

The nomination committee should give a brief account of how it has carried out its work and shall substantiate its recommendation. The committee's recommendation shall include relevant information on the candidates to the Board as well as candidates to the nomination committee corresponding to the information in the annual report about the Board members. The nomination committee may refer to the information in the annual report about candidates who stand for re-election.

The nomination committee's substantiated recommendations shall be included in the notice of the general meeting or presented to the shareholders no later than 21 days before the relevant elections shall take place.

### **THE WORK OF THE NOMINATION COMMITTEE**

The chairman of the nomination committee is responsible for organizing the work of the committee. The nomination committee may make use of resources available in the Company or may obtain advice and recommendations from sources outside of the Company.

The nomination committee shall consider the need for any changes to the composition of the Board of Directors and/or the nomination committee itself. The nomination should maintain contacts with various shareholder groups, members of the Board and with the Company's executive management. The Board's report, if any, on its self-evaluation should be considered carefully by the nomination committee.

In carrying out its work, the nomination committee should actively seek to represent the views of shareholders in general, and should ensure that its recommendations are endorsed by the largest shareholders.

The Company shall on its website provide information about the composition of the nomination committee and any deadlines for submitting proposals to the committee.

### **COMPOSITION OF THE NOMINATION COMMITTEE**

The candidates for election to the nomination committee shall be put forward by the nomination committee itself. When putting forward the candidates for election to the nomination committee, the committee shall take into account the joint interests of all shareholders, that the majority of the nomination committee should be independent of the Board and the executive management, that maximum one member of the nomination committee should be a Board member and that executive managers in the Company cannot be members of the nomination committee. A Board member who is member of the nomination committee should not stand for re-election to the Board. To secure continuity, no more than two of the members of the nomination committee shall stand for election at the same time.