

## **Statement on remuneration of executive management**

### **1. Overview**

This statement has been prepared by the board of directors of Thin Film Electronics ASA in accordance with Section 6-16a of the Norwegian Public Limited Companies Act (the "PLCA"). The statement contains guidelines and main principles for the Company's remuneration of executive personnel. The statement also outlines the implementation and effects of the policies in effect in 2015.

This statement has been prepared as a separate document to be considered at the Company's Annual General Meeting to be held on 10 May 2016.

### **2. Advisory guidelines for executive remuneration (non-binding)**

*NOTE: The guidelines covered by this section 2 address general aspects and principles for executive remuneration and are subject to a vote at the Annual General Meeting, the result of which is advisory (non-binding) to the board of directors.*

Thinfilm offers a competitive remuneration consisting of a reasonable base salary with a pension contribution, which may be supplemented by motivating performance-based cash bonus or commission payments.

The base salary is evaluated and adjusted annually. The Company's evaluation period for employees is from 1 April to 31 March.

Managers do not receive any additional compensation for serving as board members or officers of subsidiaries in the group. Travel and other out-of-pocket expenses in connection with such duty is refunded through a customary expense reporting process.

Other benefits are limited to covering reasonable costs for management such as mobile phone and internet use.

The board determines the salary and other remuneration to the CEO. The CEO determines the salary and other remuneration of all other employees, within the framework set by the board.

In case the Company gives notice of termination, the present CEO may be eligible for salary for 3 months after the end of the notice period. Other than the foregoing, there is no post-employment remuneration beyond notice of termination periods of 3-6 months.

### **3. Binding guidelines for executive remuneration**

*NOTE: The guidelines covered by this section 3 address elements of executive remuneration linked to shares or the Company's share price and are subject to a vote at the Annual General Meeting, the result of which is binding to the board of directors.*

*In addition to base salary, all employees of Thinfilm are granted subscription rights. The board will allocate subscription rights based on the individual's level of responsibility in the Company, and also to reward individual performance.*

The Annual General Meeting on 7 May 2015 resolved a subscription rights incentive program for the years 2015-2020. The board has proposed to the Annual General Meeting 10 May 2016 to resolve a corresponding program for 2016-2021.

#### **4. Reporting on remuneration practice in 2015**

The remuneration of executive management during 2015, has been in accordance with adopted guidelines.

The company's annual report provides details of the remuneration received by members of the executive management in 2015. Specifically, the actual remuneration to management in 2015 is reported in notes 17 and 24 and the implementation and effect of the policies are discussed in note 25 of said annual report.

Remuneration agreements for executive management adopted and applied during 2015 are aligned with the interests and values of the Company and support long term sustainability and growth of the business. The bonus and commission plans motivate managers to achieve the Company's operational and business objectives. The subscription rights program aligns the interests of the employees of the Company with shareholders' interests.