

# Rules of Procedure for the Board of Directors of Nordic Semiconductor ASA

## 1. Purpose

The purpose of the Rules of Procedure is to provide detailed rules to govern the work and procedure of the Board of Directors (“the **Board**”) of Nordic Semiconductor ASA (“the **Company**”) within the framework of the Norwegian Public Limited Companies Act and the Company’s Articles of Association, including which matters are to be considered by the Board, the tasks, and obligations of the Chief Executive Officer (“the **CEO**”) vis-à-vis the Board.

The Rules of Procedure shall be decided and adopted by the Board.

The Rules of Procedure shall be reviewed annually or as needed, in order to ensure that they adapt to the Company’s business.

The Board shall at all times seek to maintain the Norwegian Code of Practice for Corporate Governance (NUES).

## 2. Duties of the Board

### 2.1 General duties

2.1.1 The management of the Company falls within the authority of the Board. With the goal of increasing shareholder value for the long term the Board must ensure that business operations are soundly organized, including that the requirements for the organization of the business and the establishment of appropriate management and control systems are fulfilled and can be justified towards shareholders, employees and third parties. This includes that the Company adheres to applicable laws, the Company’s articles of association, general meeting resolutions and generally accepted principles for responsible business practices.

2.1.2 The Board shall adopt plans and budgets for the Company’s business activity and may also issue guidelines for the operations.

2.1.3 The Board is responsible for ensuring that the Company use proper and effective management and control systems, including systems for risk management, which continuously provide a satisfactory overview of the risk exposure of the Company.

- 2.1.4 The Board has a duty to keep itself up to date on the Company's financial status, and is obliged to ensure that its business, accounts, and asset management will be subject to satisfactory control procedures.
- 2.1.5 The Board is responsible for ensuring that the Company is adequately capitalized and has sufficient liquidity relative to the risk and scope of its operations, and that all statutory capital requirements are met.
- 2.1.6 The Board will conduct whatever investigations it deems necessary for being able to conduct its tasks and the Board will implement such investigations if one Board member or several Board members require it.
- 2.1.7 The Board is responsible for supervising the day-to-day management of the Company's activities in general. The Board is to issue instructions regarding the day-to-day management of the Company and must ensure that the CEO regularly informs the Board of the Company's operations, risk taking, capital adequacy, position, and profit performance.
- 2.1.8 The Board must annually evaluate the CEO. This evaluation forms the basis for the determination of the CEO's remuneration that are adopted by the Board.

## 2.2 Specific matters

- 2.2.1 The Board shall consider matters which pursuant to statutory requirements or the articles of association shall be considered by the Board, are of material importance or are of an extraordinary nature in relation to the Company's affairs. The members of the Board and CEO may require the Board to consider specific matters.
- 2.2.2 The Board decides on dispositions which are of significant nature or significant importance and supervises that the Company is managed in accordance with resolutions made by the general meeting and/or the Board, the articles of association or laws or regulations.
- 2.2.3 As part of its stewardship the Board will:
- appoint/dismiss the CEO and determine his/her remuneration
  - plan for succession to the position of CEO and oversee the succession planning for positions within the Executive Management Team
  - submit and report for accounts for the period and issue the Board of Directors report including the audited annual accounts and the proposed allocation of annual profits or coverage of annual losses
  - determine overarching instructions and guidelines for the business operations
  - grant signatory powers, powers of procuration and determination of financial authorizations

- 2.2.4 The Board has delegated to the CEO the responsibility for the remaining stewardship of the Company but will supervise this stewardship.

### 3. The tasks and duties of the CEO vis-à-vis the Board

#### 3.1 Tasks, reporting and information obligations

- 3.1.1 The CEO is responsible for the day-to-day management of the Company in accordance with the general instructions from the Board and must comply with any guidelines and orders issued by the Board.
- 3.1.2 The day-to-day management of the Company does not include matters which are outside the scope of the Company's normal operations, or which could have a major impact on operations. Such matters must be presented to the Board for consideration. The CEO may otherwise decide a matter by power of attorney from the Board in each individual case or if the Board's decision cannot await without this being of serious detriment to the Company. The Board must be notified of the decision as soon as possible.
- 3.1.3 The CEO shall ensure that the accounts of the company are prepared in accordance with relevant laws and regulations and that the assets are managed soundly.
- 3.1.4 The CEO shall appoint an Executive Management Team that shall assist the CEO in his or her stewardship duties delegated by the Board and in the day-to-day management, including the organization and operation of the Company. The CEO shall present the credentials of the prospective candidates to the Board of Directors prior to such appointment. The CEO shall determine the instructions for the Executive Management Team.
- 3.1.5 The CEO will brief the Board at least once a month on the Company's business, status, and profit performance. The Board may demand at any time that the CEO give the Board a detailed report on specific matters.
- 3.1.6 The CEO will inform the Board if the premises for a previous decision which is of significance to the operation is have significantly changed.
- 3.1.7 The CEO has the right and obligation to participate in the Board's discussion of matters and make comments, unless otherwise decided by the Board on a case-by-case basis.
- 3.1.8 The CEO will ensure that the Board's decisions are implemented. The CEO will also ensure that the Company's employees and other parties involved get sufficient information about the Board's decisions.

## 4. Board meetings

### 4.1 The Board's annual plan and procedure

- 4.1.1 The Board shall lay down an annual plan that states how and at what time the Board will discharge its functions pursuant to these Rules of Procedure and statutory requirements.
- 4.1.2 The Board shall consider matters in meetings, unless the Chair of the Board finds that the matter can be adequately dealt with in writing or in another proper manner. The annual accounts, annual reports and annual budgets must be considered in a meeting.
- 4.1.3 The chairperson of the Board shall ensure insofar as possible that the members of the Board are able to participate in a joint discussion of matters that are to be considered without a meeting. Any member of the Board and the CEO may require a meeting to be held. The Chair decides in what form a meeting shall be held, unless more than half of the Board members demand that the meeting is held physically or digitally.
- 4.1.4 Board meetings shall be held as often as the chairperson deems necessary, however at least six (6) times per year, or when required by a member of the Board. At least one of the board meetings should have at least one day's duration where the Company's long-term strategic goals are discussed.
- 4.1.5 Board meetings shall be convened by the Chair of the Board. The notice shall be made by the Company Secretary. Meetings shall be announced in a suitable and timely manner.
- 4.1.6 The CEO shall prepare all matters which are on the agenda for the Board meeting after prior consultation with the chairperson of the Board. Any matter shall be prepared and presented in a way that provides the Board with a satisfactory basis for processing the matter.
- 4.1.7 The notice and documents shall be made available to the members of the Board with the necessary period of notice and no less than two (2) days prior to the date of the board meeting, in order to provide the members of the Board sufficient time for preparation.
- 4.1.8 Board meetings are chaired by the chairperson of the Board. If the Chair of the Board is not present, the Board shall elect a Chair for the meeting.
- 4.1.9 Minutes of the Board meeting shall be kept. In the event of dissent, it shall be recorded in the minutes which Board member voted against. The minutes are taken by the Company Secretary or in his/her absence by another person appointed in his/her absence. The minutes must, as a minimum, state the time and venue, the participants, the proceedings and the resolutions adopted by the Board. It must be clear that the considerations was transacted in accordance with the requirements related to quorum. The minutes shall be prepared and distributed to all members of the Board as soon as possible after a Board

meeting. All members of the Board who have participated in the board meeting or board processing shall sign the minutes, unless the Board elects two members of the Board to sign the minutes. In such case, a copy of the minutes shall be sent to all members of the Board with a deadline for any annotations. Any annotations may be required included in the minutes.

## 4.2 Attendance and voting

- 4.2.1 In the event that a Board member is unable to attend a Board meeting, it must notify the Company Secretary immediately.
- 4.2.2 The CEO shall have the right and be obliged to participate in the Board meetings and the discussion of matters unless otherwise decided by the Board on a case-by-case basis.
- 4.2.3 The Company Secretary should normally attend all Board meetings, unless otherwise decided by the Board.
- 4.2.4 The Board constitutes a quorum if more than half of its members are present or participate in the consideration of the matter in question. The Board may not adopt a resolution without all members of the Board have been given an opportunity, insofar as possible, to participate in the consideration of the matter in question.
- 4.2.5 The adoption of a resolution by the Board requires that a majority of the members of the Board who have participated in the consideration of a matter, has voted in favor of the proposal. In the event of a voting tie, the chairperson shall have the casting vote.
- 4.2.6 The Board may grant a power of attorney to the chairperson of the Board and/or another Board member alone or jointly, to make a decision in specific matters as long as this is in accordance with applicable statutory requirements. Such power of attorney shall be stated in the minutes of the board meeting.
- 4.2.7 The Company's auditor shall participate in the Board's consideration of the annual accounts and the annual report. In other matters, a member of the Board may require that the auditor is provided with the opportunity to attend. The auditor may require to answer individual questions from the board members in a board meeting. In connection with the consideration of the Company's annual accounts, the Board shall have a meeting with the auditor without representatives from the administration present.

## 5. Board Committees

### 5.1 Board committees and responsibilities

- 5.1.1 The Board will establish special Board Committees, including ad hoc committees, to the extent that the Board finds this expedient for its administrative procedures. The responsibility of the Board Committees is to prepare matters for consideration. The Board should issue specific instructions for the work of any Board Committee, or ad hoc committee.
- 5.1.2 The Board of Directors has established the following committees, each of which shall have defined committee charters:
- 5.1.2.1 **AUDIT COMMITTEE**, which must consist of at least two, maximum three members of the Board of Directors, each of whom are independent of management and the Company, is appointed by the Board. The committee shall act as a preparatory body that supports the Board in fulfilling its responsibilities with respect to financial reporting, auditing and control. Its supervisory area includes adequate company policies, procedures, systems and measures to prevent violations of relevant rules and regulations, including anti-corruption, data privacy and human rights. The committee shall be informed and evaluate material risks and issues related to tax. The committee shall also support the Board in the evaluation of IT and cyber security risk. The committee shall supervise the company's external reporting, including the integrated annual report and its alignment with relevant regulations and international guidance to ensure transparent and reliable data.
- 5.1.2.2 **PEOPLE AND COMPENSATION COMMITTEE**, which must consist of two shareholder elected members and one employee elected member of the Board. The committee shall assist the Board in exercising its oversight responsibility in particular regarding compensation matters pertaining to the CEO and other members of the Executive Management Team. The committee shall handle other compensation issues of principal importance, such as coherent remuneration policies and practices to enable the company to attract and retain executives and employees. It shall support the Board and supervises management on human capital development, working conditions and diversity, equity and inclusion.
- 5.1.2.3 **SUSTAINABILITY COMMITTEE**, which must consist of at least two and maximum three shareholder elected members and one employee elected member from the Board. The committee shall act as a preparatory body for the Board in fulfilling the Board's responsibilities with respect to considering sustainability within the activities and value creation of the company. The committee supervises the integration of sustainability into Nordic strategy and business activities, reflected in adequate follow-up of ESG metrics to measure and monitor its sustainability performance. The committee shall have a particular focus on Climate & Environment topics as well the way Nordic products and services are used in solutions for climate change and other sustainability related applications.

## 6. General restrictions and disqualifications

### 6.1 General restrictions

- 6.1.1 Each Board member has a personal responsibility to continually assess whether there are circumstances which could undermine the general confidence in his or her independency considering also the Company's reputational risk.
- 6.1.2 It is incumbent on each Board member to be especially vigilant when making such assessments in connection with possible competition law compliance issues and the Boards' handling of transactions, investments, and strategic decisions.
- 6.1.3 The Board member shall immediately notify the Chair of the Board and the Company Secretary if such circumstances are present or arise. The Chair of the Board shall determine how the matter should be handled.
- 6.1.4 Before accepting new directorships or other external offices, Board members shall liaise with the Chair of the Board. Each member of the Board shall also as soon as possible report any changes in directorships or external offices to the Company Secretary.

### 6.2 Conflict of interest

- 6.2.1 Neither a Board member nor the CEO may participate in the decision of a question that is of such particular significance for him or her or for any close associate that the member must be deemed to have a prominent personal or financial interest in the matter. The rest of the Board may decide whether there exist such weighty special interests that can be deemed to constitute a conflict of interest. Otherwise, the Board members shall judge their own competence. A Board member may not participate in a matter regarding loans or credit to himself or security for his or her own debt. A "close associate" shall have the meaning as defined in the Norwegian Public Limited Liability Companies Act section 1-5, which includes but is not limited to (common-law) spouse, children, grandchildren, parents, grandparents, siblings, in-laws, companies that are controlled by the individual or other close associates of the individual in question.
- 6.2.2 It is the duty of all Board members and CEO to ensure that they do not have a prejudicial interest that disqualifies them from taking part in the considerations of specific matters. In case of a conflict of interest, the Board member needs to alert the Chair of the Board and not take part in addressing that issue.
- 6.2.3 The Board of Directors is to approve agreements between the Company and a Board member or the CEO. The Board must also approve agreements between the Company and

third parties where a Board member or the CEO can be perceived to have a prejudicial interest in the matter. Board members must inform the Board of Directors if they have a direct, significant interest in an agreement entered by the Company.

## 6.3 Related party agreements

- 6.3.1 Any agreement between the Company and a related party shall be subject to the following procedures:
- The Board shall consider whether an agreement with a related party is subject to the requirements under chapter 3. V. of the Norwegian Public Limited Companies Act.
  - Any member of the Board who is a representative of, or otherwise has an interest in, a counterparty (or an affiliate of such counterparty) to agreement proposed to be entered into by the Company shall inform the Board of this, in which case the Board shall consider whether such member shall be disqualified from participating in the Board's consideration of the agreement.
  - Before approving an agreement between the Company and a related party, the Board shall assess whether the agreement is on arms' length terms and whether it would be appropriate to obtain a third-party valuation. The assessment of the need for a third-party valuation shall take into consideration i.a., the nature of the agreement, the size and term of the agreement, the relationship with the counterparty and the ability to benchmark the consideration payable under such agreement against comparable agreements.
- 6.3.2 If an agreement between the Company and a related party can be approved by the CEO pursuant to the Group Policy Authorization Charter, the CEO shall consider the need for a third party valuation in accordance with section c) above. If such an agreement can be approved at a lower level than the CEO pursuant to the Group Policy Authorization Charter, then the agreement can be approved in accordance with the general provisions of the applicable authority matrix.
- 6.3.3 "Related party" shall have the meaning set out in section 3-12 of the Norwegian Public Limited Companies Act.
- 6.3.4 The provisions of this section do not apply to i) agreements with subsidiaries of the Company, ii) agreements with members of executive management in connection with their employment of the Company, or iii) agreements which are approved by the general meeting of the Company.

## 7. Primary insider rules and confidentiality

### 7.1 Limitations

- 7.1.1 Board members shall keep confidential all information received in their capacity as members of the Board. This does not apply to information which is publicly known. The members of the Board shall keep all documents received in their capacity as members of the Board in a safe manner, in order to prevent third parties from getting hold of the documents



or its content. Board members' duty to observe confidentiality does not apply if in specific cases they have access to or are obliged, in accordance with agreements, laws or regulations, to provide information to or consult with third parties. Third parties that are given such information to or consult with third parties. Third parties that are given such information are to be instructed to observe confidentiality.

- 7.1.2 The Board shall lay down insider regulations for trading in financial instruments issued by the Company.
- 7.1.3 The misuse of inside information is punishable by law. Persons with access to inside information are subject to:
  - a) a duty of confidentiality protecting the inside information against unauthorized persons;
  - b) a prohibition against spreading the information to unauthorized persons; and
  - c) a prohibition against misusing the information for trading for own account or inciting or advising others to trade.

## 8. Self-evaluation of the Board of Directors

### 8.1 Annual self-evaluation

- 8.1.1 Within reasonable time prior to the annual general meeting, the Board and each of its committees conduct an annual self-performance evaluation to determine whether the Board and each of its committees are functioning effectively. The review is discussed with the full Board once a year.