

REMUNERATION
REPORT
2021



NORDIC[®]
SEMICONDUCTOR

Content

3	Introduction
5	Summary of key disclosures
6	Remuneration linked to the Company's business strategy
8	Remuneration of the Board of Directors
10	Remuneration of the Executive Management Team
16	Comparative overview
18	Statement by the Board of Directors
19	Independent auditor's assurance report



Introduction

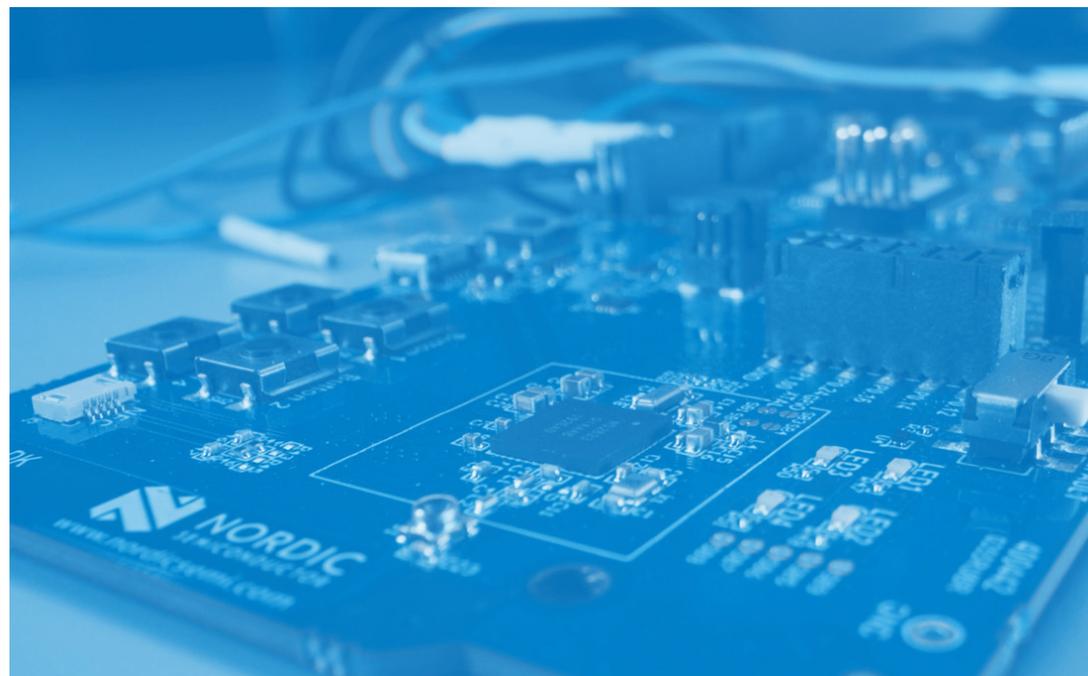
Preface and purpose

On behalf of the Board of Directors (“the Board” or “BoD”) of Nordic Semiconductor ASA (“Nordic” or “the Company”), the People and Compensation Committee (PCC) is pleased to present the Remuneration Report for 2021 (“Remuneration Report” or “the Report”).

The purpose of the Report is to provide a comprehensive, clear, and understandable overview of total remuneration to Senior Executives and Non-executives in the Company, defined as Executive Management Team (EMT) and Board members, for the financial year 2021. The Report has been prepared in accordance with the Norwegian Public Limited Liability Act 1997 section 6–16 b, the Norwegian Regulation on Guidelines and Report on Remuneration of Leading Employees of 2020 (Nw.: Forskrift om retningslinjer og rapport om godtgjørelse for ledende personer) section 6, [and the Norwegian Accounting Act section 7–31b] (“the Regulation”).

The Report demonstrates how the remuneration is aligned with the “The Board of Directors’ Remuneration Guidelines and Policy for Remuneration of Senior Executives 2021” (Remuneration Guidelines and Policy), available on the Company website, adopted by the 2021 Annual General Meeting (AGM), and how the remuneration is linked to the performance of the Company.

Attracting, developing, and retaining highly skilled and motivated employees is the foundation of the Company’s business. To successfully implement the Company’s business strategy, deliver on our strategic priorities and secure the long-term interests of shareholders, it is important that the Company offer its senior executives market-competitive total remuneration packages.



Remuneration Report 2021

The information included in the Report is derived from the audited Annual Report of Nordic Semiconductor for the financial year 2021. The Report also contains additional information to meet the requirements of the Regulation, and to explain Board and EMT remuneration. All amounts are in NOK 1,000, unless otherwise specified. Nordic’s functional currency is USD, but remuneration to the Board and EMT is denominated and paid in NOK. To be able to compare numbers over time, remuneration have been presented in NOK throughout this Report, to avoid effects of currency fluctuations.

Company performance in 2021

2021 was a year of contrast for Nordic Semiconductor. On one hand, we saw continued strong demand growth in most of our markets, with increasing demand for both consumer and industrial applications, and from both tier-1 customers and the broad market. On the other hand, our growth opportunity was capped by a global wafer shortage. Revenue increased by 51% to USD 611 million, although product demand indicates this could have been significantly higher without wafer supply constraints.

For further details on the Company's performance in 2021, please read the Company's Annual Report for 2021.

Remuneration 2021 changes

In this section, we provide a summary of the most important remuneration changes during 2021:

Board of Directors

Changes to Board remuneration from the board period 2020–2021 to 2021–2022 were:

- The Chair's fixed compensation in the form of company shares was increased from NOK 250,000 to NOK 350,000
- The shareholder elected BoD members' fixed compensation in the form of company shares was increased from NOK 75,000 NOK to NOK 115,000
- The fee for each meeting in the Audit Committee changed from NOK 15,000 to NOK 20,000 for the Audit Committee Chair, and from NOK 7,500 to NOK 10,000 for the Audit Committee members
- The fee for each meeting in the PCC changed from NOK 10,000 to NOK 7,500 for the PCC members, unchanged for the Chair of PCC (NOK 15,000)

Executive Management Team

Base salary: In 2021, EMT members received an average base salary increase of 7.2% to increase the competitiveness of the compensation package and reduce the gap to relevant peers according to benchmark results, as per the Company's Remuneration Guidelines and Policy. Base salary levels are evaluated annually and are determined by the overall scope and nature of the individual role based on thorough job evaluations, as well as individual considerations, the market positioning and remuneration conditions at Nordic Semiconductor.

Short-term incentive (STI): A new market aligned STI program was introduced for all employees including the EMT during 2021. The maximum STI attainment is 58.5% of base salary for the CEO and 52% for the rest of the EMT. The bonus payout is determined based on the Company's performance against a set of annual financial and non-financial KPIs, including individual objectives for the EMT members.

Severance pay: Severance pay equivalent to one year's base salary is agreed to be paid to the CEO and EMT members in case of involuntary termination within 12 months after a potential merger or acquisition.

Compliance with the Remuneration Guidelines and Policy

The remuneration of the Board and the EMT complies with the Remuneration Guidelines and Policy adopted by the Annual General Meeting in April 2021.

Summary of key disclosures

Nordic Semiconductor's Remuneration Report provides full disclosure of the Company's remuneration provided to the Board and the EMT.

A summary of these disclosures is provided below.

Remuneration of the Chair and the members of the Board

The Chair and the shareholder-elected members of the Board receive a fixed annual board fee as well as a fixed compensation delivered through Company shares. The employee-elected board members receive a fixed annual board fee. Below is a summary of the total remuneration (fixed board fees, committee fees, company shares, and travel and time-zone compensation) provided to the members of the Board for the last two years. A fixed annual fee of NOK 60,000 for three members of the Nomination Committee, neither of whom is a member of the Board, was provided in 2020 and in 2021.

	2021 Remuneration	2020 Remuneration
Birger Steen Chair	1,196	1,120

	2021 Remuneration	2020 Remuneration
Board of directors	5,245	4,352

Remuneration of the CEO

The CEO's salary was reviewed and recommended by the PCC based on the scope and nature of the position, the CEO's qualifications, and external benchmarking analysis, and was put forward for decision in and resolved by the Board.

The remuneration of the CEO consists of fixed remuneration (base salary and benefits) and variable remuneration (STI and LTI).

	Year	Total Fixed*	Bonus/STI	Options	RSU & PSU	Total
Svenn-Tore Larsen Chief Executive Officer	2021	4,360	2,308	94	2,027	8,790
	2020	4,038	1,745	308	538	6,629

*Including salary, fixed allowances, pension and benefits.

Remuneration of the Executive Management Team (including the CEO)

The remuneration of members of the EMT was reviewed and supported by the PCC, and consists of fixed remuneration (base salary, fixed allowances, pension and benefits) and variable remuneration (STI and LTI).

EMT members	Year	Total Fixed*	Bonus/STI	Options	RSU & PSU	Total
EMT including the CEO	2021	25,617	11,595	510	9,103	46,825
	2020	24,063	9,491	1,492	2,630	37,676

*Including salary, fixed allowances, pension and benefits.

Summary of performance assessment

EMT members	KPI categories	Aggregated weight	Total performance assessment
EMT including the CEO	Revenue Growth	25%	Above target
	TSR vs industry index	25%	Above maximum
	Growth tier-I customers	25%	Above target
	ESG	12.5%	Above target
	Individual objectives	12.5%	Above target

Remuneration linked to the Company's business strategy

Remuneration Guidelines and Policy

The purpose of the Remuneration Guidelines and Policy is to advance the Company's objectives for good corporate governance as well as sustained and long-term value creation for shareholders by providing a fundament for attraction and retention of relevant senior executives.

The Remuneration Guidelines and Policy are reviewed annually in conjunction with the Company's People and Performance Review process by the PCC and the full Board and adjusted if needed, to reflect changes in regulatory requirements, expectations of stakeholders, and the Company's strategic priorities.

How the guidelines promote the Company's business strategy, long-term interests, and sustainability

Nordic's mission is to be a world-leading supplier of connectivity solutions, with ultra-low power proprietary and *Bluetooth*® technologies for short-range, Wi-Fi for medium-range, and cellular IoT technology for the long-range market.

The Company links remuneration to specific KPIs and objectives in the belief that this makes our mission more likely to be attained. As an example, growth in Tier-1 customers is important for Nordic's long term growth.

Corporate Governance

Key remuneration decisions are made by the Board. The PCC operates as a preparatory committee for the Board in matters

concerning remuneration. The PCC reviews, analyzes, discusses, evaluates, and recommends remuneration principles and decisions to the Board. Furthermore, the PCC evaluates and oversees the overall compensation strategy for the Company and secures Board oversight in other people and organization-related matters. The CEO's total compensation and any adjustments hereto are reviewed and recommended by the PCC and then decided by the Board. The Board considers CEO compensation each year.

The PCC monitors trends in the Company's salary and bonus policies and practices. It monitors the short- and long-term incentive programs to ensure that they promote ongoing, long-term shareholder value creation as well as compliance with the Remuneration Guidelines and Policy.

The PCC consisted of the following Board members during 2021:

- Endre Holen (Chair)
- Birger K. Steen
- Jon Helge Nistad

Morten Dammen replaced Jon Helge Nistad as a member of the PCC in late 2021. Both are employee-elected Board members.

The CFO and the EVP of People & Communication are regular participants in the PCC. Other relevant contributors, such as the Total Rewards Manager, participate in meetings upon request by the PCC.

The PCC meets a minimum of five times a year. During 2021, five meetings were held with full member attendance.

Remuneration structure, objectives and performance measures

Element	Objective	Remuneration level	Performance measure
Fixed base salary	Align with relevant markets to attract and retain qualified executives.	Fair and competitive, aiming towards the European high-tech market, but not market leading.	Normally subject to annual review based on an evaluation of the individual's overall performance and contribution to the Company's goals.
Short-term incentive (STI)	Support and incentivize the EMT to deliver on the annual strategic objectives, short-term interests and sustainability of the Company.	The target bonus amount for the CEO and EMT is 45% and 40% of their fixed base salary, respectively. The maximum STI attainment is 58.5% for the CEO and 52% for rest of the EMT.	The bonus for the CEO and EMT is determined by the Company's performance on a pre-defined set of KPIs: - Financial (75%) - ESG (12.5%) - Individual (12.5%)
Long-term incentive (LTI)	Support the multi-year strategic objectives, long-term interests and sustainability of the Company. Retention of key executives.	LTI value target of 55%/45% of the annual fixed base salary for the CEO and EMT at the time of grant divided 50/50 between RSUs and PSUs. Three years' vesting period.	The below Company and individual objectives determine the amount of PSUs given at vesting date, ranging from 0-200% performance and payout: - Financial (70%) - Individual (30%)
Pension, insurance, and other benefits	Market competitiveness	The EMT is covered by the Company's competitive defined contribution pension plan and insurance schemes. Other benefits include company phone.	N/A
Severance pay	Market relevance and executive retention	Severance pay equivalent to one year's base salary is agreed to be paid to the CEO and EMT members in case of involuntary termination within 12 months after a potential merger or acquisition.	N/A

Remuneration of the Board of Directors

In line with market practice, members of the Board receive an annual fixed base fee. In addition, the shareholder-elected Board members receive additional annual fixed fee through company shares. Each Chair and members of the three Board committees receive a fixed fee per committee meeting. Furthermore, 5,000 USD is paid per meeting for intercontinental travels, and 1,000 USD for European travel per meeting. Members of the Board with domicile in the United States receive 3,000 USD for each meeting taking place in the United States related to Company activities. If intercontinental travel is difficult due to events such as Covid-19, compensation will be lowered to 2,500 USD per ordinary meeting, due to inconvenient time difference.

None of the shareholder-elected members of the Board is entitled to receive any variable- or performance related remuneration or pension contributions.

Employee-elected members of the Board, in their roles as employees of Nordic Semiconductor, are entitled to variable remuneration and staff benefits like their peers in the Company. Only remuneration related to their role as employee-elected members of the Board is disclosed in this Report.

Remuneration to the Board is decided by the AGM based on the Nomination Committee's recommendation. The annual fees of the members of the Board take into account the required competencies, effort, and scope of work.

All members of the Board are non-executive directors at Nordic Semiconductor.

At the AGM in 2021, the Board and their committee fees for the financial year 2021 were approved and are listed in the following tables.

The annual fixed board fee assumes that the respective Directors serve the whole election period of one year.

The Board period in Nordic Semiconductor is one year from the AGM to the following year's AGM. The AGM typically takes place end of April each year.

Board fee structure for board periods 2020–2021 and 2021–2022

Board fees	Board period	Annual fixed board fee	Shares	Total annual Board remuneration
Chair	2021-2022	750	350	1,100
	2020-2021	750	250	1,000
Member, shareholder-elected	2021-2022	325	115	440
	2020-2021	325	75	400
Member, employee-elected	2021-2022	150		150
	2020-2021	100		100

The remuneration paid in the board periods 2020-2021 and 2021-2022 for the members of the different committees of the Board is outlined in the table below. The amounts are fixed fees per meeting.

Committee fees	Board period	Audit Committee	People and Compensation Committee
Committee chair	2021-2022	20.0	15.0
	2020-2021	15.0	15.0
Member	2021-2022	10.0	7,5
	2020-2021	10.0	10.0

Board of Directors remuneration for the financial years 2020 and 2021 – audited*

Name and position	Year	Annual base fee	Audit Committee**	PCC**	Fixed annual cash as shares	Travel allowance and time-zone comp	Total remuneration
Shareholder-elected							
Birger Steen	2021	750		113	325	9	1196
Chair	2020	750		50	250	70	1120
Øyvind Birkenes	2021	325			105		430
Board member	2020	325			75		400
Jan Frykhammar	2021	325	220		105	9	659
Board member	2020	325	105		75		505
Anastiina Hintsa	2021	325			105		430
Board member	2020	325			75		400
Endre Holen	2021	325		105	105	275	810
Board member	2020	325		40	75	35	475
Anita Huun	2021	325	130		105		560
Board member	2020	325	70		75		470
Inger Berg Ørstavik	2021	325	130		105		560
Board member	2020	325	70		75		470
Employee-elected							
Morten Dammen	2021	150					150
Board member	2020	133					133
Jan Helge Nistad	2021	150					150
Board member	2020	133					133
Susheel Nuguru	2021	150					150
Board member	2020	133					133
Joel Stapelton	2021	150					150
Board member	2020	113					113
Total Board Remuneration	2021	3,300	480	218	955	293	5,245
	2020	3,212	245	90	700	105	4,352

*The Board's compensation is paid in NOK. The Board's compensation shown in the above table covers the total remuneration expensed during the calendar year 2021, which includes one quarter from the 2020-2021 Board period, and three quarters from the Board period 2021-2022

**There are 7 ordinary Audit Committee meetings and 5 ordinary PCC meetings during a year. 2021 includes payments for committee meetings in the board period 2020-2021 and committee meetings up until December 2021. 2020 includes payments for committee meetings in the board period 2019-2020.

Remuneration of the Executive Management Team

The remuneration of the members of the EMT is reviewed by the PCC and resolved by the Board on an annual basis with reference to market benchmarks, market developments, the scope and nature of the work, qualifications, and the performance of each Executive. On an annual basis, the Total Rewards Manager prepares the proposed salary adjustments based on a thorough job evaluation of each job position (not individual) in the EMT and a total compensation benchmark for the reference markets outlined in the Remuneration Guidelines and Policy. Benchmark data from world leading consultants including, but not limited to, Mercer and Aon, is used in the evaluation and benchmark.

Any proposals for adjusting remuneration components for the CEO and other members of the EMT is presented to, reviewed and discussed by the PCC and submitted for decision by the Board. All variable incentive programs are discretionary to the Board subject to overall Company performance and earnings.

Members of the EMT receive remuneration in alignment with the Remuneration Guidelines and Policy, and do not receive remuneration from responsibilities related to other entities of the Group.

Description of remuneration elements for the Executive Management Team 2021

Fixed remuneration	Base salary	Fixed annual salary which is reviewed annually.
	Fixed allowance	Fixed annual allowance such as mobility/housing allowance. This only applied for two of the members of the EMT during 2021.
	Pension	Cost related to annual defined pension contribution.
	Benefits	Annual cost of main insurances such as life-, health- and travel insurances.
Variable remuneration	Short-term incentive Program (STI)	The target bonus amount for the CEO and EMT is 45% and 40% of their fixed base salary, respectively. The maximum STI attainment is 58.5% for the CEO and 52% for rest of the EMT.
	Options (LTI)	The value of stock options remaining from the 4-year option program commencing in 2016. 2022 is the final year the EMT will realize these options.
	RSUs and PSUs (LTI)	In the 2020 Annual General Meeting, it was approved to replace the stock option program with a Restricted Stock Unit program for all employees, and a 50/50 combination of Restricted Stock Units (RSUs) and Performance Share Units (PSUs) for Executive Management.
Severance pay		Severance pay equivalent to one year's base salary is agreed to be paid to the CEO and EMT members in case of involuntary termination within 12 months after a potential merger or acquisition.

Total remuneration for members of the Executive Management Team 2021 – audited



Earned 2021		Fixed remuneration					Variable remuneration				Total	Ratio
Name and position	Year	Base salary	Fixed allowance	Pension	Benefits	Total fixed remuneration	Bonus/STI****	Options***	RSU & PSU***	Total variable remuneration	Total remuneration	Fixed vs. variable
Svenn-Tore Larsen Chief Executive Officer	2021	4,177		152	31	4,360	2,308	94	2,027	4,429	8,790	50% / 50%
	2020	3,883		142	13	4,038	1,745	308	538	2,591	6,629	61% / 39%
Pål Elstad CFO/EVP Finance	2021	2,474		156	16	2,645	1,226	57	957	2,240	4,885	54% / 46%
	2020	2,307		143	21	2,471	1,042	202	294	1,538	4,009	62% / 38%
Katarina Finneng EVP People & Communication	2021	2,044		152	14	2,210	1,012	49	589	1,650	3,861	57% / 43%
	2020	1,789		143	29	1,962	861	49	156	1,066	3,028	65% / 35%
Marianne Frydenlund SVP Legal	2021	1,560		151	14	1,725	773	14	583	1,370	3,094	56% / 44%
	2020	1,435		140	14	1,590	657	46	177	880	2,469	64% / 36%
Kjetil Holstad EVP Product Management	2021	1,781		151	17	1,950	865	35	635	1,534	3,484	56% / 44%
	2020	1,627		140	19	1,785	702	66	190	959	2,744	65% / 35%
Geir Langeland***** EVP Sales & Marketing	2021	2,615		154	14	2,783	1,439	61	1,132	2,632	5,415	51% / 49%
	2020	2,466		142	23	2,630	1,088	206	308	1,601	4,231	62% / 38%
Ole Fredrik Morken* EVP Supply Chain	2021	2,279	527	155	14	2,975	933	49	772	1,753	4,728	63% / 37%
	2020	2,289	527	142	15	2,973	793	193	244	1,230	4,203	71% / 29%
Svein Egil Nielsen CTO/EVP R&D and Strategy	2021	2,797		155	18	2,969	1,385	69	1,096	2,551	5,520	54% / 46%
	2020	2,621		144	22	2,787	1,178	214	339	1,731	4,518	62% / 38%
Ebbe Rømcke SVP Quality & Sustainability	2021	1,742		154	14	1,910	826	39	643	1,508	3,417	56% / 44%
	2020	1,625		143	15	1,783	700	111	198	1,009	2,792	64% / 36%
Ståle Ytterdal** SVP IR & Strategic Sales	2021	1,724	198	153	14	2,089	829	43	670	1,542	3,630	58% / 42%
	2020	1,616	267	143	19	2,044	725	96	187	1,008	3,052	67% / 33%
Total earned	2021	23,192	725	1,534	167	25,617	11,595	510	9,103	21,209	46,825	55% / 45%
	2020	21,657	794	1,421	190	24,063	9,491	1,492	2,630	13,613	37,676	64% / 36%

*Fixed allowance is expenses living abroad (housing and travel)

**Fixed allowance for being Representative officer for Nordic's China offices

***Expense cost options, PSUs and RSUs

****Bonus earned during 2021 and paid out in 2022

*****Additional discretionary bonus of 5% of base salary was provided for extraordinary performance

Variable remuneration

This section provides further information on the variable remuneration for the EMT. Nordic Semiconductor offers performance-based variable remuneration to motivate desired behavior and performance, and to ensure alignment with shareholder interests.

Short-term incentives reflect the performance of the financial year against annually agreed Key Performance Indicators (KPIs), while long-term incentives are used to ensure alignment with shareholder interests on a longer time horizon. STI, LTI, and any other incentive arrangements are at the discretion of the Board and subject to overall Company performance and earnings.

The chart below provides a visual representation of the timing of award vesting to the EMT in respect of 2021 performance.

Short-term incentives

The short-term incentive program is a variable cash-based incentive scheme with a term of 12 months. Bonus target levels are carefully analyzed and benchmarked based on relevant markets. The target bonus amount for the CEO and the rest of the EMT is 45% and 40% of their fixed base salary, respectively. The maximum STI attainment is 58.5% for the CEO and 52% for the rest of the EMT.

The STI rewards for members of the EMT are based on the attainment of performance targets supporting the Company strategy and priorities. The targets comprise a number of KPIs and are defined at the beginning of the year. However, they are subject to change at the Board's discretion for continued relevance and alignment with shareholder interests.

On an annual basis, the Board undertakes the exercise of ensuring that the annual STI measures are aligned with the long-term ambitions and that annual targets are sufficiently challenging to achieve in the context of Nordic Semiconductor's strategy.

Achievement of STI KPIs in 2021

The 2021 performance KPIs summarized below for the EMT include both financial (75%) and non-financial (25%) measures evaluated after confirmation of the year-end financial results. Financial targets are measured against results audited by Nordic Semiconductor's external auditor. Non-financial targets are, where relevant, validated and evaluated by third parties. The targets are set and performance is evaluated by the PCC and resolved by the Board.

Assessment of the individual performance of each member of the EMT is considered and endorsed by the Board. The PCC considers and endorses all bonus amounts in the Company's incentive programs before assessments and amounts are submitted for approval by the Board.

KPIs selected	Weight	Results
Revenue growth	25%	Above target
TSR vs industry index	25%	Above maximum
Growth tier-1 customers	25%	Above target
ESG	12.5%	Above target
Individual objectives	12.5%	Above target

Long-term incentives

The LTI program in the Company consist of a 50/50 combination of RSUs and PSUs for the EMT, with a vesting period of three years. In order to receive the RSUs and PSUs, the EMT member must remain employed in the Company at the vesting date, and without termination date. In addition, the PSUs are conditional upon the achievement of the Company and individual KPIs. The maximum payout for the PSUs are 200% upon maximum overall weighted achievement of the set KPIs, and the payout is 0% if the overall weighted achievement of the set KPIs are below the threshold level.

The objective of the LTI program is to support the multi-year strategic objectives, long-term interests, and the sustainability of the Company, as well as aligning the interests of the EMT with the interests of shareholders and other relevant stakeholders.

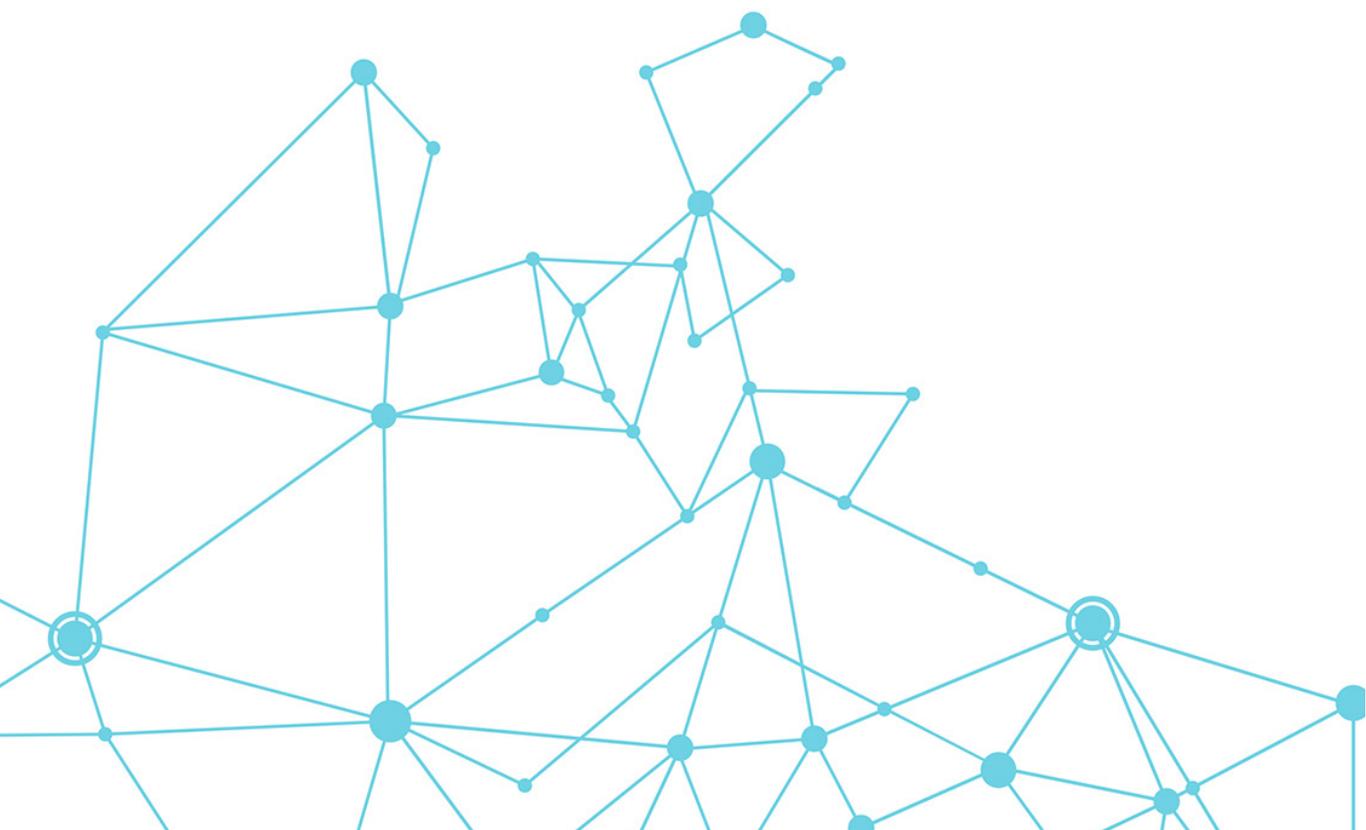
Overview of exercised and outstanding options for EMT in 2021

The 2016 options were granted February 26, 2016 at a strike price of NOK 47.72. The options had cap of NOK 143.16.

The 2018 options were granted February 27, 2018 at a strike price of NOK 47.27. The options had cap of NOK 141.81.

The 2019 options were granted May 3, 2019 at a strike price of NOK 45.1. The options had cap of NOK 135.3.

For all the above mentioned grants, the Company has settled the vested options in 2021 by compensating the employee the difference between the cap and the strike price.



Overview of exercised and outstanding options for EMT in 2021

EMT	Grant year	Outstanding options 31.12.2020	Number of options exercised*	Outstanding options 31.12.2021	Strike price	Cash payout*
Svenn-Tore Larsen Chief Executive Officer	2016	65,575	65,575	—	47.7	6,258
	2018	62,000	62,000	—	47.3	5,861
	2019	38,163	25,442	12,721	45.1	2,295
Pål Elstad CFO/EVP Finance	2016	43,804	43,804	—	47.7	4,181
	2018	42,000	42,000	—	47.3	3,971
	2019	23,641	15,761	7,880	45.1	1,422
Katarina Finneng EVP People & Communication	2019	20,000	13,333	6,667	45.1	1,203
Marianne Frydenlund SVP Legal	2018	5,000	5,000	—	47.3	473
	2019	12,946	8,631	4,315	45.1	779
Kjetil Holstad EVP Product Management	2018	10,000	10,000	—	47.3	945
	2019	14,072	9,381	4,691	45.1	846
Geir Langeland EVP Sales & Marketing	2016	43,804	43,804	—	47.7	4,181
	2018	42,000	42,000	—	47.3	3,971
	2019	24,767	16,511	8,256	45.1	1,489
Ole Fredrik Morken EVP Supply Chain	2016	23,804	23,804	—	47.7	2,272
	2018	42,000	42,000	—	47.3	3,971
	2019	19,701	13,134	6,567	45.1	1,185
Svein Egil Nielsen CTO/EVP R&D and Strategy	2018	42,000	42,000	—	47.3	3,971
	2019	28,144	18,763	9,381	45.1	1,692
Ebbe Rømcke SVP Quality & Sustainability	2018	21,000	21,000	—	47.3	1,985
	2019	15,761	10,507	5,254	45.1	948
Ståle Ytterdal SVP IR & Strategic Sales	2016	15,000	15,000	—	47.7	1,432
	2018	15,000	15,000	—	47.3	1,418
	2019	17,449	11,633	5,816	45.1	1,049

*Number of options are in whole numbers. Cash payout is in NOK 1 000.

RSU and PSU grants awarded to the Executive Management Team for 2021 and 2020 – audited

EMT	RSU*				PSU*			
	2021	Fair value at grant	Total value at grant	Total value at 31.12.2021	2021	Fair value at grant	Total value at grant	Total value at 31.12.2021
Svenn-Tore Larsen, Chief Executive Officer	10,933 RSUs	199.3	2,178,947	3,253,661	6,213 PSUs	241.9	1,502,925	1,848,989
Pål Elstad, CFO/EVP Finance	3,056 RSUs	199.3	609,061	909,466	3,056 PSUs	241.9	739,246	909,466
Katarina Finneng, EVP People & Communication	2,524 RSUs	199.3	503,033	751,142	2,524 PSUs	241.9	610,556	751,142
Marianne Frydenlund, SVP Legal	1,927 RSUs	199.3	384,051	573,475	1,927 PSUs	241.9	466,141	573,475
Kjetil Holstad, EVP Product Management	2,156 RSUs	199.3	429,691	641,626	2,156 PSUs	241.9	521,536	641,626
Geir Langeland, EVP Sales & Marketing	6,139 RSUs	199.3	1,223,503	1,826,966	3,189 PSUs	241.9	771,419	949,046
Ole Fredrik Morken, EVP Supply Chain	2,325 RSUs	199.3	463,373	691,920	2,325 PSUs	241.9	562,418	691,920
Svein Egil Nielsen, CTO/EVP R&D and Strategy	3,455 RSUs	199.3	688,582	1,028,208	3,455 PSUs	241.9	835,765	1,028,208
Ebbe Rømcke, SVP Quality & Sustainability	2,059 RSUs	199.3	410,359	612,758	2,059 PSUs	241.9	498,072	612,758
Ståle Ytterdal, SVP IR & Strategic Sales	2,066 RSUs	199.3	411,754	614,842	2,066 PSUs	241.9	499,765	614,842
EMT	RSU*				PSU*			
	2020	Fair value at grant	Total value at grant	Total value at 31.12.2021	2020	Fair value at grant	Total value at grant	Total value at 31.12.2021
Svenn-Tore Larsen, Chief Executive Officer	10,621 RSUs	61.0	647,350	3,160,810	10,621 PSUs	70.4	747,612	3,160,810
Pål Elstad, CFO/EVP Finance	6,345 RSUs	61.0	386,728	1,888,272	6,345 PSUs	70.4	446,625	1,888,272
Katarina Finneng, EVP People & Communication	5,241 RSUs	61.0	319,439	1,559,722	5,241 PSUs	70.4	368,914	1,559,722
Marianne Frydenlund, SVP Legal	4,000 RSUs	61.0	243,800	1,190,400	4,000 PSUs	70.4	281,560	1,190,400
Kjetil Holstad, EVP Product Management	4,276 RSUs	61.0	260,622	1,272,538	4,276 PSUs	70.4	300,988	1,272,538
Geir Langeland, EVP Sales & Marketing	6,621 RSUs	61.0	403,550	1,970,410	6,621 PSUs	70.4	466,052	1,970,410
Ole Fredrik Morken, EVP Supply Chain	5,241 RSUs	61.0	319,439	1,559,722	5,241 PSUs	70.4	368,914	1,559,722
Svein Egil Nielsen, CTO/EVP R&D and Strategy	7,172 RSUs	61.0	437,133	2,134,387	7,172 PSUs	70.4	504,837	2,134,387
Ebbe Rømcke, SVP Quality & Sustainability	4,276 RSUs	61.0	260,622	1,272,538	4,276 PSUs	70.4	300,988	1,272,538
Ståle Ytterdal, SVP IR & Strategic Sales	4,414 RSUs	61.0	269,033	1,313,606	4,414 PSUs	70.4	310,701	1,313,606

*All the numbers in the above table are in whole numbers. Value at grant is weighted averaged share price the five days following the Annual General Meeting. All RSUs and PSUs from 2021 and 2020 are outstanding as of 31.12.2021.

Comparative overview

The following tables show the total remuneration of the EMT and the Board over the past five reported financial years, in comparison with some selected company performance measures and average base salary increases for all employees in Norway excl. EMT. For comparison purposes, the figures have been annualized.

Comparison of total remuneration and Company performance over the past five reported financial years – audited

EMT	2021	Change %	2020	Change %	2019	Change %	2018	Change %	2017
Svenn-Tore Larsen, Chief Executive Officer	8,790	32.6%	6,629	41.5%	4,684	(1.9)%	4,776	(9.1)%	5,254
Pål Elstad, CFO/EVP Finance	4,885	21.8%	4,009	16.9%	3,429	18.5%	2,893	(9.8)%	3,208
Katarina Finneng, EVP People & Communication*	3,861	27.5%	3,028	29.2%	2,344	N/A	—	N/A	—
Marianne Frydenlund, SVP Legal*	3,094	25.3%	2,469	26.2%	1,957	13.4%	1,726	N/A	—
Kjetil Holstad, EVP Product Management*	3,484	27.0%	2,744	18.2%	2,322	N/A	—	N/A	—
Geir Langeland, EVP Sales & Marketing	5,415	28.0%	4,231	23.3%	3,432	22.3%	2,805	(11.1)%	3,154
Ole Fredrik Morken, EVP Supply Chain	4,728	12.5%	4,203	16.3%	3,614	8.7%	3,324	(16.9)%	4,002
Svein Egil Nielsen, CTO/EVP R&D and Strategy	5,520	22.2%	4,518	26.0%	3,585	30.5%	2,747	(11.4)%	3,100
Ebbe Rømcke, SVP Quality & Sustainability	3,417	22.4%	2,792	17.0%	2,386	22.4%	1,949	(3.5)%	2,020
Ståle Ytterdal, SVP IR & Strategic Sales*	3,630	18.9%	3,052	21.1%	2,520	N/A	—	N/A	—
Thomas Bonnerud, (former Director of Strategy & IR)	—	N/A	—	N/A	—	(100.0)%	1,950	(18.7)%	2,397
Total EMT remuneration	46,825	24.3%	37,676	24.5%	30,273	36.5%	22,171	(4.2)%	23,136
Performance indicator									
Revenue (in USD 1000)	610,528	50.7%	405,217	40.5%	288,395	6.4%	271,134	14.9%	236,003
Operating profit (in USD 1000)	86,920	90.1%	45,714	393.0%	9,272	(34.0)%	14,047	34.4%	10,450
Average base salary FTE in Norway (excl. EMT)**	811	5.7%		5.1%		6.6%		7.5%	
Average base salary increases for EMT***		7.2%		10.6%		15.9%		9.2%	

*Katarina Finneng joined the EMT in September 2019. Marianne Frydenlund joined the EMT in May 2018. Kjetil Holstad joined the EMT in March 2019. Ståle Ytterdal joined the EMT in April 2019.

**In addition to base salary, employees also received other remuneration elements, such as STI, LTI and pension in all the years highlighted in the above table.

***Salary increase numbers for EMT includes both ordinary and promotional increases as several members joined EMT and/or got new roles within EMT the last 5 years.

Comparison of remuneration of the Board over the past five reported financial years – audited

Board of Directors	2021	Change %	2020	Change %	2019	Change %	2018	Change %	2017
Birger Steen, Chair (from December 2018)	1,196	6.8%	1,120	22.5%	914	41.3%	647	101.6%	321
Terje Rogne, Chair (until October 2018)	—	N/A	—	N/A	—	(100.0)%	614	23.6%	497
Øyvind Birkenes, Shareholder-elected board member	430	7.5%	400	—%	400	N/A	—	N/A	—
Jan Frykhammar, Shareholder-elected board member	659	30.4%	505	15.0%	439	N/A	—	N/A	—
Annastiina Hintsu, Shareholder-elected board member	430	7.5%	400	22.7%	326	N/A	—	N/A	—
Endre Holen, Shareholder-elected board member	810	70.6%	475	2.2%	465	N/A	—	N/A	—
Anita Huun, Shareholder-elected board member	560	19.1%	470	33.1%	353	N/A	—	N/A	—
Inger Berg Ørstadvik, Shareholder-elected board member	560	19.1%	470	7.1%	439	90.0%	231	26.2%	183
Anne Cecilie Fagerlie, Shareholder-elected board member (until April 2018)	—	N/A	—	N/A	—	(100.0)%	69	(79.1)%	330
Beatriz Malo de Molina, Shareholder-elected board member (until April 2018)	—	N/A	—	N/A	—	(100.0)%	215	(29.9)%	306
Craig Ochikubo, Shareholder-elected board member (until April 2019)	—	N/A	—	(100.0)%	221	(65.0)%	632	35.3%	467
Anne Marit Panengstuen, Shareholder-elected board member (until September 2019)	—	N/A	—	(100.0)%	221	7.2%	206	N/A	—
Tore Valderhaug, Vice-Chair and Board member (until April 2019)	—	N/A	—	(100.0)%	400	(2.4)%	410	13.9%	360
Morten Dammen, Employee-elected board member	150	12.8%	133	77.3%	75	N/A	—	N/A	—
Jon Helge Nistad, Employee-elected board member	150	12.8%	133	33.0%	100	—%	100	122.2%	45
Susheel Nuguru, Employee-elected board member	150	12.8%	133	33.0%	100	33.3%	75	N/A	—
Joel Stapleton, Employee-elected board member	150	33.3%	113	N/A	—	N/A	—	N/A	—
Joakim Ferm, Employee-elected board member (until April 2018)	—	N/A	—	(100.0)%	25	—%	25	(58.3)%	60
Lasse Olsen, Employee-elected board member (until April 2017)	—	N/A	—	N/A	—	N/A	—	(100.0)%	15
Asbjørn Sæbø, Employee-elected board member (until April 2019)	—	(100.0)%	25	(75.0)%	100	—%	100	66.7%	60
Total Board of Directors remuneration	5,245	19.8%	4,377	(4.4)%	4,578	37.7%	3,324	25.7%	2,644
Performance indicator									
Revenue (in USD 1000)	610,528	50.7%	405,217	40.5%	288,395	6.4%	271,134	14.9%	236,003
Operating profit (in USD 1000)	86,920	90.1%	45,714	393.0%	9,272	(34.0)%	14,047	34.4%	10,450
Average base salary FTE in Norway (excl. EMT)	811	5.7%		5.1%		6.6%		7.5%	
Average base salary increases for EMT		7.2%		10.6%		15.9%		9.2%	

Statement by the Board of Directors

Today, the Board of Directors have considered and approved the Remuneration Report of Nordic Semiconductor ASA for the financial year 1 January–31 December 2021.

The Remuneration Report 2021 has been prepared in accordance with the Norwegian Public Limited Liability Act 1997 section 6-16 b, the Norwegian Regulation on Guidelines, and Report on Remuneration of Leading Employees of 2020.

In our opinion, the Remuneration Report 2021 is in accordance with the Remuneration Guidelines and Policy adopted at the annual general meeting and is free from material misstatement and omissions, whether due to fraud or error.

The Remuneration Report 2021 is subject to submission for an advisory vote at the annual general meeting in April 2022.

Oslo, March 31, 2022



Jan Frykhammar
Board member



Birger Steen
Chair



Anita Huun
Board member



Inger Berg Ørstavik
Board member



Svenn-Tore Larsen
Chief Executive Officer



Endre Holen
Board member



Øyvind Birkenes
Board member



Jon Helge Nistad
Board member, employee



Annastiina Hintsa
Board member



Joel Stapleton
Board member, employee



Susheel Raj Nuguru
Board member, employee



Morten Dammen
Board member, employee

Independent auditor's assurance report



To the General Meeting of Nordic Semiconductor ASA

Independent auditor's assurance report on report on salary and other remuneration to directors

Opinion

We have performed an assurance engagement to obtain reasonable assurance that Nordic Semiconductor ASA report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2021 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

Our independence and quality control

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. Our firm applies International Standard on Quality Control 1 (ISQC 1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – "Assurance engagements other than audits or reviews of historical financial information".

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but

PricewaterhouseCoopers AS, Dronning Eufemias gate 71, Postboks 748 Sentrum, NO-0106 Oslo
T: 02316, org. no.: 987 009 713 MVA, www.pwc.no
Statsautoriserte revisorer, medlemmer av Den norske Revisorforening og autorisert regnskapsførerselskap



not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 31 March 2022
PricewaterhouseCoopers AS

Eivind Nilsen
State Authorised Public Accountant

(2)

Norway | TRONDHEIM

Otto Nielsens veg 12

7004 Trondheim, Norway

Phone: +47 72 89 89 00

Norway | OSLO

Karenslyst Allé 5

0213 Oslo, Norway

Phone: +47 22 51 10 50



NORDIC[®]
SEMICONDUCTOR