

Report and Recommendations from the Nomination Committee to the 2017 Annual General Meeting

Report from the Committee

Nordic Semiconductor ASA (“NOD” or “Company”) established a Nomination Committee at the Annual General Meeting (“AGM”) 18 April 2005. The Committee in 2016 consisted of Thomas Raaschou (Chair), Bjørnar Olsen and John Harald Henriksen. None of the members of the Nomination Committee are employees of NOD or members of the Board of Directors (“BoD”) of NOD.

The main duties of the Committee are to evaluate and submit a recommendation to the General Meeting on the following matters:

- Nominees for election as members of the Board of Directors of NOD and the Chair of the Board of Directors
- Nominees for election as members of the Nomination Committee and the Chair of the Nomination Committee
- The proposed remuneration of the Board of Directors and the members of the Nomination Committee

The Nomination Committee has established Terms of Reference that was approved at the 2015 General Meeting. The Terms of Reference details the duties and responsibilities of the Nomination Committee, and there are no proposed changes for this AGM.

The Committee has held 17 meetings and conference calls in the preparation for the AGM. The discussions have included Board composition and recruitment, Director elections, Nomination Committee work and composition, Nomination Committee member elections, and Director and Nomination Committee remuneration. The Committee has held meetings and discussions with various shareholders, all current Directors, senior executives and with potential candidates. The Committee has ensured that there has been ample opportunity for all shareholders and others to nominate directors.

In 2016 the Board of Directors of Nordic Semiconductor consisted of the following Directors:

Terje Rogne	Chair, due for re-election in 2017
Anne-Cecilie Fagerlie	Director, due for re-election in 2017
Craig Ochikubo	Director, due for re-election in 2017
Beatriz Malo de Molina	Director, due for re-election in 2017
Tore Valderhaug	Director, due for re-election in 2017

The board is currently composed of five independent Directors. NOD currently meets the requirements for both male and female directors of the Public Limited Act Section 6-11 a (1). The same will apply if the Board proposed by the Nomination Committee is adopted by the AGM.

Nomination Committee Recommendations

Board of Directors

In the Nomination Committee's considerations, it has emphasized that the BoD's composition reflects a variety of experience, knowledge and qualifications required to meet the needs of the Company in a challenging growth phase. In addition, the Committee has focused on preserving continuity after three changes to the board composition over the last three years.

The Committee has identified two areas in which the BoD should have additional resources and experience.

The Company's strategic investment into cellular IoT entails a market with more stringent regulation compared to the current Bluetooth low energy market. It also broadens the accessible market for the Company creating new opportunities as well as challenges.

Hence, it is the opinion of the Nomination Committee that the BoD should be strengthened with legal competencies related to the complexity surrounding the intellectual property rights and the contractual framework.

Furthermore, with the expected growth over the next years ahead within Bluetooth low energy market as well as the cellular IoT market, the BoD should have added strategic sales and marketing experience from within the global technology industry.

To accommodate for the additional competencies, the Committee proposes to expand the current board of five shareholder-elected Directors to seven shareholder-elected Directors from the 2017 AGM.

The Nomination Committee recommends the re-election of Terje Rogne, Anne-Cecilie Fagerlie, Tore Valderhaug, Beatriz Malo de Molina and Craig Ochikubo for a period of one year.

The Nomination Committee recommends Inger Berg Ørstavik and Birger Steen to be elected as new Directors, both for a period of one year.

Mrs. Ørstavik (born 1974) is an associate professor at the Department of Private Law, University of Oslo. She has previously been a partner with Advokatfirmaet Schjødt AS and a lawyer at the office of the Attorney General for Civil Affairs. Mrs. Ørstavik has a law degree from the University of Oslo, a LL.M. from Ruprecht-Karls-Universität in Heidelberg, Germany, and a Ph.D. from the University of Oslo in the areas of intellectual property law and competition law. She has taught international human rights law at Fudan University in Shanghai, China where she resided from 2005 to 2009. Mrs. Ørstavik is member of the BoD in REC Silicon ASA, and she chairs the Food and Drink Industry Professional Practices Committee (MFU).

Mr. Steen (born 1966) has been CEO of Parallels, Inc. since 2010, and is based in Seattle. He previously served as Vice President of Worldwide SMB and Distribution at Microsoft and as General Manager of Microsoft Russia and Microsoft Norway. Prior to joining Microsoft in 2002, Mr. Steen was CEO of Scandinavia Online and Vice President of Business Development in Schibsted ASA. He worked for McKinsey & Company as a consultant and engagement manager from 1993 to 1996. Before joining McKinsey, Mr. Steen was as an oil trader with Norwegian Oil Trading in Lithuania.

Mr. Steen received his MSc in Computer Science and Industrial Engineering from the Norwegian Institute of Technology in Trondheim. He also holds a degree in Russian language from the Defense School of Intelligence and Security in Oslo and received his MBA from INSEAD in France.

Mr. Steen has served as a Non-Executive Director of Schibsted ASA since 2014 and at Nordea Bank AB since 2015.

If the proposed shareholder BoD is adopted by the AGM, it will consist of the following members:

Terje Rogne	Chair, due for re-election in 2018	9 *
Anne-Cecilie Fagerlie	Director, due for re-election in 2018	12 *
Tore Valderhaug	Director, due for re-election in 2018	3 *
Craig Ochikubo	Director, due for re-election in 2018	2 *
Beatriz Malo de Molina	Director, due for re-election in 2018	1 *
Birger Steen	Director, due for re-election in 2018	New
Inger Berg Ørstavik	Director, due for re-election in 2018	New

(* The number of years serving as a member of the BoD)

The Nomination Committee is of the opinion that the proposed BoD will have the competence necessary to establish an Audit committee in accordance with the competency requirements of the Public Companies Act §6-42.

Details of the BoD members can be found on www.nordicsemi.com.

Directors' remuneration 2017

The directors' remuneration for the period from the 2016 AGM to the 2017 AGM was decided by the 2016 AGM as follows:

Chair: NOK 500,000
Directors: NOK 275,000

The Nomination Committee has reviewed remuneration levels for BoD members with relevant peer companies in Norway as well as internationally. The Committee has concluded that it recommends maintaining the remuneration level for the period between the 2017 AGM to the 2018 AGM as the described in the table below.

The Nomination Committee proposes to the AGM that the members of the Audit Committee and the Remuneration Committee to be compensated as follow for the period from 2017 AGM to the 2018 AGM:

Chair: NOK 10,000 per meeting (unchanged)
Member: NOK 5,000 per meeting (unchanged)

For the period from the 2017 AGM to the 2018 AGM the Nomination Committee proposes the following remuneration levels and principles:

	Board Member Fee	Audit Committee Fee (for each meeting)	Remuneration Committee Fee (for each meeting)	Travel Time Allowance
All members	NOK 275,000	NOK 5,000	NOK 5,000	Intercontinental travel \$5,000 per meeting
Committee Chair		NOK 10,000	NOK 10,000	
Chair	NOK 500,000			

In addition, the Nomination Committee proposes to remunerate members of the Board with domicile in the United States \$3,000 for each meeting taking place in the United States related to company activities. Further, any costs incurred by the Board Members in relation to their participation as a member of the Board or any of the committees, will be reimbursed by the Company.

All fees and costs will be paid on a quarterly basis in arrears. The Board Member Fee amounting to NOK 275,000/500,000 assumes that the respective Directors serves the whole election period of one year.

Nomination Committee

Thomas Raaschou and Bjørnar Olsen have advised the Committee that they are not available for re-election at the 2017 AGM.

The Nomination Committee has in cooperation with various shareholders evaluated the composition of the Committee from the 2017 AGM. In the process, the Committee has taken into account the need for a Committee which has a good understanding of the general requirements facing the Company's BoD with emphasis towards the strategic, financial, managerial and technological issues.

The Committee recommends the election of Jarle Sjo and Viggo Leisner to the Committee. Mr. Sjo is a senior fund manager at DNB Asset Management. Mr. Leisner is Chief Investment Officer at the Blystad Group.

It is proposed that John Harald Henriksen is elected Chair of the Nomination Committee, and that all members are elected for a period of one year.

John Harald Henriksen	Chair, due for re-election in 2018	12 *
Viggo Leisner	Member, due for re-election in 2018	New
Jarle Sjo	Member, due for re-election in 2018	New

(* The number of years in the Nomination Committee)

The Nomination Committee proposes that the fees for the period between the 2017 AGM to the 2018 AGM will increase from NOK 40,000 to NOK 50,000 for each of the members of the Committee.

In presenting this for approval, the Nomination Committee has considered, among others, the need for a compensation structure reflecting the substantially increased amount of work in the

Nomination Committee as well as the structure of such work. The Nomination Committee has also considered comparable data for its peers and Norwegian companies in general.

All fees and costs will be paid on a yearly basis in arrears.

The Nomination Committee's recommendations are unanimous.

Oslo, 15 March 2017