

# Report and Recommendations from the Nomination Committee to the 2018 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 2017 consisted of John Harald Henriksen (Chair), Jarle Sjo and Viggo Leisner. 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 followed Terms of Reference that was approved at the 2015 General Meeting. The Terms of Reference details the duties and responsibilities of the Nomination Committee.

The Committee has held 19 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 2017 the Board of Directors of Nordic Semiconductor consisted of the following Directors:

Terje Rogne	Chair, due for re-election in 2018
Anne-Cecilie Fagerlie	Director, resigns in 2018
Craig Ochikubo	Director, due for re-election in 2018
Beatriz Malo de Molina	Director, due for re-election in 2018
Tore Valderhaug	Director, due for re-election in 2018
Birger Steen	Director, due for re-election in 2018
Inger Berg Ørstavik	Director, due for re-election in 2018

The Board is currently composed of seven 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 serving 13 years in NODs board of Directors, Anne-Cecilie Fagerlie resigns.

The Committee believe there is a need to strengthen the Board with industrial competence, and recommends to replace Anne-Cecilie Fagerlie with Mrs. Anne-Marit Panengstuen. We believe Mrs. Panengstuen will help the company in the industrialization phase of the new long-distance IoT, LTE chips. The new LTE chips will increase the Company's focus on industrial applications.

Mrs. Panengstuen (born 1963) has since August 2014 served as CEO of Siemens AS. In Siemens, she has worked as project engineer, and has had several positions within sales and management. Before she became the CEO, she was Head of the Industry Sector, one of 4 sectors within Siemens.

In addition to Mrs Panengstuen, the Nomination Committee recommends the re-election of Terje Rogne, Tore Valderhaug, Beatriz Malo de Molina, Craig Ochikubo, Birger Steen and Inger Berg Ørstavik for a period of one year.

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 2019	10 *
Anne Marit Panengstuen	Director, due for re-election in 2019	new *
Tore Valderhaug	Director, due for re-election in 2019	4 *
Craig Ochikubo	Director, due for re-election in 2019	3 *
Beatriz Malo de Molina	Director, due for re-election in 2019	2 *
Birger Steen	Director, due for re-election in 2019	1*
Inger Berg Ørstavik	Director, due for re-election in 2019	1*

(\* 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](http://www.nordicsemi.com).

**Directors’ remuneration 2018**

The directors’ remuneration for the period from the 2017 AGM to the 2018 AGM was decided by the 2017 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 2018 AGM to the 2019 AGM as the described 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 2018 AGM to the 2019 AGM:

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

For the period from the 2018 AGM to the 2019 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. In the event the Board decides to elect a deputy Chair, it will be remunerated with NOK 350,000 per year.

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**

John Harald Henriksen, Jarle Sjo and Viggo Leisner have advised the Committee that they are available for re-election at the 2018 AGM.

John Harald Henriksen	Chair, due for re-election in 2018	13 *
Viggo Leisner	Member, due for re-election in 2018	1
Jarle Sjo	Member, due for re-election in 2018	1

(\* The number of years in the Nomination Committee)

The Nomination Committee proposes that the fees for the period between the 2018 AGM to the 2019 AGM will be NOK 50,000 for each of the members of the Committee.

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

The Nomination Committee's recommendations are unanimous.

## **Nomination Committee's work for period 2018-2019**

The committee recommends to employ external consultancy to help scanning the market domestically and internationally to recruit competent and relevant candidates to the NOD BoD in 2019.

Oslo, 15 March 2018