

Report and Recommendations from the Nomination Committee to the 2019 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. In 2018, the Committee 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 several meetings, conference calls and interviews in the preparation for the conclusion of this report. The discussions have included all aspects of Board composition and recruitment. The Committee has ensured that there has been opportunity for all shareholders and others to nominate Directors or to discuss candidates with the Nomination Committee.

In 2018, the Board of Directors of Nordic Semiconductor consisted of the following Directors:

Terje Rogne	Chair, resigned 24 October 2018
Birger Steen	Director, elected Chair by Extraordinary Shareholder meeting 14 December 2018, due for re-election in 2019
Anne Marit Panengstuen	Director, not seeking re-election in 2019
Craig Ochikubo	Director, not seeking re-election in 2019
Beatriz Malo de Molina	Director, resigned 30 April 2018
Tore Valderhaug	Director, not seeking re-election in 2019
Inger Berg Ørstavik	Director, due for re-election in 2019

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.

Tore Valderhaug, Craig Ochikubo and Anne Marit Panengstuen have decided to step down from the Board of Directors. We wish to thank the resigning Directors for their valuable contribution to the Company. The Committee believe there is a need to replace the competencies that the resigning Directors represent, and also to increase the scope of competencies on the Board. The Company is now embarking on a new venture with the launch and commercialization of LTE products in a new type of market.

The Committee suggest that the following persons shall be elected as new Directors at this year's AGM.

- **(re-election) Birger Steen** previously served as CEO of Parallels Inc., 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. He is currently Board member of Schibsted ASA and Nordea Bank AB. Birger was elected Chairman of the Board in December 2018 after the resignation of the former Chairman Terje Rogne.
- **(re-election) Inger Berg Ørstavik** serves as 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. Inger has a Ph.D. from the University of Oslo in the areas of intellectual property law and competition law.
- **(new) Jan Frykhammar** is formerly interim CEO, CFO, Head of Professional Services and CFO North America in Ericsson AB. He has extensive knowledge of the telecom market and a broad experience in the accounting area in his former role as CFO. We believe he will represent a solid insight in the areas of finance and accounting for the Company.
- **(new) Anita Huun** is now working as CFO in Cappelen Damm. She was formerly CFO at Microsoft Norway and has also worked as an equity analyst with focus on IT companies. The last years she has also been a Director at Link Mobility ASA, which was later sold to a Private Equity Fund. Anita will bring competencies to the Board such as M&A and equity finance/analysis.
- **(new) Endre Holen** has more than 25 years of working as a consultant in McKinsey & Co. He has primarily worked with large international technology companies and has been Managing Partner for McKinsey's Global Tech Media and Telecom team from 2007 to 2012. He has a broad experience and a wide professional network from counseling Fortune 1000 CEOs on topics like strategy, corporate performance, succession planning, leadership and Board governance. We believe that Endre will contribute with his vast experience to the strategic planning and governance work within the Board.
- **(new) Øyvind Birkenes** is the CEO at Airthings AS. He was formerly the General Manager for Low Power RF at Texas Instruments (TI) in the USA. At TI he headed the product lines that

developed and sold ultra-low power wireless MCUs, radio transceivers and System on Chips. TI has been one of NODs largest competitors in the BLE space. Before joining TI, he worked at Chipcon which was later sold to TI. The nomination committee believes that Øyvind will bring an extensive experience in both technological leadership and an in-depth knowledge of the RF low energy market.

- **(new) Annastiina Hintsa** is the COO of Hinsta Performance in Finland. The company works with enhancing the performance and leadership of client companies and is best known for working with Formula 1 teams. She has also worked as a consultant at McKinsey & Co. and at the Bank of Finland. Annastiina will bring forward competencies in company strategy, leadership development and HR. We also believe it is valuable for the Company to have a Finish representative on the Board given that a large number of the employees are located in Finland.

Provided that the proposed composition of the shareholder elected BoD is adopted by the AGM, it will consist of the following members:

Birger Steen	Chair, due for re-election in 2020	2*
Anita Huun	Director, due for re-election in 2020	1*
Jan Frykhammar	Director, due for re-election in 2020	1*
Øyvind Birkenes	Director, due for re-election in 2020	1*
Endre Holen	Director, due for re-election in 2020	1*
Annastiina Hintsa	Director, due for re-election in 2020	1*
Inger Berg Ørstavik	Director, due for re-election in 2020	2*

(* 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.

Directors' remuneration 2019

The Nomination Committee has reviewed remuneration levels for BoD members with relevant peer companies in Norway as well as internationally. It has become clear to the Committee that the remuneration level has been too low to attract new international Directors, and as such recommends that the remuneration level is increased substantially. The increase is primarily based on payment in Company shares. Remuneration to the members of the Audit Committee and Remuneration Committee is based on the number of meetings held. If the BoD decides to establish a "Product and Technology Committee", we recommend that it is paid in the same manner as the Remuneration Committee.

For the period from the 2019 AGM to the 2020 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 325,000 + Shares for NOK 75,000	NOK 7,500	NOK 5,000	Intercontinental travel USD 5,000 per meeting. European travel USD 1,000 per meeting
Committee Chair		NOK 15,000	NOK 10,000	
Chair	NOK 750,000 + Shares for NOK 250,000			

The share-based part of the compensation is paid after the next AGM in 2020, and the number of shares shall be based on the amount due in NOK (respectively NOK 75,000 and NOK 250,000) divided by the share price at closing of the AGM day 2020.

In addition, the Nomination Committee proposes to remunerate members of the Board USD 3,000 for each meeting taking place in the USA 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 cash-based fees and costs will be paid on a quarterly basis in arrears.

The Board Member fee amounting to NOK 325,000/750,000 assumes that the respective Directors serves the whole election period of one year. The share-based part of the compensation will not be paid to any Director that resigns during the election period.

Nomination Committee

John Harald Henriksen, Jarle Sjo and Viggo Leisner have advised the Committee that they are available for re-election at the 2019 AGM.

John Harald Henriksen	Chair, due for re-election in 2019	14*
Viggo Leisner	Member, due for re-election in 2019	1*
Jarle Sjo	Member, due for re-election in 2019	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 60,000 (up from NOK 50,000 the preceding year) for each of the members of the Committee.

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

All the Nomination Committee's recommendations are unanimous.

Oslo, 20 March 2019

John Harald Henriksen, Chair

Viggo Leisner

Jarle Sjo