

## **ANNUAL GENERAL MEETING**

The shareholders of Nordic Semiconductor ASA (“the Company”) are hereby invited to the Shareholders’ Annual General Meeting

Wednesday April 24<sup>th</sup> 2019 at 09:00

at Thon Hotel Vika Atrium, Munkedamsveien 45, Oslo, Norway

The following items are to be addressed:

1. Opening of the Meeting by the Chair and registering of the shareholders present.
2. Election of meeting chair and individual to sign the meeting minutes.
3. Approval of the invitation and the agenda.
4. Approval of the annual financial statements and the Board's report, including consolidated accounts, for 2018.
5. Approval of compensation for the Board, the nomination committee and the auditor.
6. Power of attorney for the purchase of the Company’s own shares.
7. Power of attorney to increase the share capital.
8. Election of shareholder elected members to serve on the Board of Directors.
9. Election of members to serve on the nomination committee.
10. Election of new auditor.
11. Approval of the Declaration of the principles for compensation of the CEO and other members of the executive management, including approval of the Long-Term Incentive plan for executive management (11.1).

Trondheim, March 25<sup>th</sup> 2019,

Birger Steen  
Chair

## **CONCERNING ITEM 4 IN THE INVITATION**

### **APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS AND THE BOARD'S REPORT, INCLUDING CONSOLIDATED ACCOUNTS, FOR 2018.**

Pursuant to the regulation of the Articles of Association that documents relating to issues to be dealt with at the General Meeting may be provided on the Company's website, the Company's annual financial statements, report from the Board of Directors, auditor's report, and standards of corporate governance for 2018 have been published on Nordic Semiconductor ASA's website, [www.nordicsemi.com](http://www.nordicsemi.com).

The Board and Management believe that the Company is very well-positioned for future growth opportunities, as wireless connectivity becomes a standard feature in a growing range of electronic products. In order to pursue its long-term growth strategy and continue to invest in research and development in a highly cyclical business environment, the Company's financial management policy is to preserve a high proportion of equity and liquidity on its balance sheet.

The Company aims to provide an annual dividend, assuming that the requirements of its growth strategy are met. Based on the current cash balance and interest in preserving cash to pursue its growth strategy in the coming years, the Board has determined not to propose a dividend payment at the Annual General Meeting.

#### **The Board proposes that the Annual General Meeting approves the following resolution:**

*"The annual financial statements and the report from the Board of Directors for 2018, including the consolidated accounts, are approved. The Company's standards of corporate governance have been received and noted."*

## CONCERNING ITEM 5 IN THE NOTICE OF CONVOCATION

### APPROVAL OF COMPENSATION FOR THE BOARD, THE NOMINATION COMMITTEE AND THE AUDITOR

#### The Board proposes that the Annual General Meeting approves the following resolution:

*”As compensation for the period from the Annual General Meeting 2019 to the Annual General Meeting 2020 the following is approved (last year's numbers in brackets):*

<i>Chair of the Board</i>	<i>NOK</i>	<i>750,000</i>	<i>+</i>	<i>(500,000)</i>
		<i>NOK 250,000</i>		
		<i>in shares</i>		
<i>Board members elected by the shareholders</i>	<i>NOK</i>	<i>325,000</i>	<i>+</i>	<i>(275,000)</i>
		<i>NOK 75,000</i>		
		<i>in shares</i>		
<i>Board members elected by the employees</i>	<i>NOK</i>	<i>100,000</i>		<i>(100,000)</i>

*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.*

*The share-based part of the compensation will not be paid to any Director that resigns during the election period.*

*In addition, members of the Board with domicile in the United States will receive additional USD 3.000 for each meeting taking place in the United States related to Company activities and a travel allowance of USD 5.000 for travels to Norway. 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 that the Board decides to elect a Deputy Chair, it will be remunerated with NOK 350,000 per year.*

*Nordic Semiconductor ASA has a policy of compensating members elected by the employees for the responsibility but not for the work associated with the Board position as this is assumed to be covered by their salaries.*

*As compensation for the period from the Annual General Meeting 2019 to the Annual General Meeting 2020 for participation in the Audit Committee and the Compensation Committee the shareholder elected Board Members will receive NOK 15 000 (chair) and NOK 10 000 (member) per meeting.*

*A compensation of NOK 60,000 (50,000) per member of the nomination committee is approved for the period from the Annual General Meeting 2019 to the Annual General Meeting 2020.*

*The compensation to the auditor which is listed in Note 5 to the annual financial statements for 2018 is approved.”*

## CONCERNING ITEM 6 IN THE INVITATION.

### POWER OF ATTORNEY FOR THE PURCHASE OF THE COMPANY'S OWN SHARES

The Board proposes that the Annual General Meeting grants the Board of Directors a power of attorney to repurchase the Company's own shares for a period up to the Annual General Meeting in 2020. The use of the power of attorney will be decided by the Board's evaluation of how beneficial the repurchase of shares is for the shareholders.

#### **The Board proposes that the Annual General Meeting approves the following resolution:**

*“Power of attorney is hereby granted to the Board on behalf of the Company to purchase the Company's own shares, and to hold treasury shares within the limits of the Norwegian Public Limited Liability Companies Act. The maximum number of shares which may be acquired shall not exceed an aggregate par value of NOK 179,000 (corresponding to approximately 9.96% of the Company's share capital).*

*The power of attorney is given for the period from the date of this resolution up to the Annual General Meeting 2020, and 30 June 2020 at the latest.*

*The price per share which the Company may pay for shares acquired in connection with this power of attorney shall not be lower than the par value of the shares nor higher than NOK 200. In case of changes of the par value of the shares due to split or reverse split of the Company's shares, the price the Company may pay for each share is to be adjusted equally.*

*The Board may at its discretion decide the method of acquiring or disposing of own shares, including through one or more transactions on the Oslo Stock Exchange. The shares may be used as the Company's Board deems to be suitable for the purpose.”*

## CONCERNING ITEM 7 IN THE INVITATION

### POWER OF ATTORNEY TO INCREASE THE SHARE CAPITAL

The Board proposes that the Annual General Meeting grants a power of attorney to the Board to increase the Company's share capital for a period up to the Annual General Meeting 2020.

It is the Board's opinion that the Company in the future could have a situation in which it would be beneficial to execute share capital increases with one or more strategic partners, or complete a merger or acquisition using shares or cash. Additionally, a situation could arise in which it would be beneficial to strengthen the Company's equity. To enable the Company to act quickly, the Board asks the Annual General Meeting to give the Board a power of attorney to increase the Company's share capital by up to NOK 179,000 (9.96%) of the Company's share capital), in one or more capital increases to named investors chosen by the Board. Such capital increases shall be executed at or near the current stock price on the Oslo Stock Exchange. The power of attorney can also be used in rights issues or public offerings. The shareholders' pre-emptive rights may be set aside.

#### **The Board proposes that the Annual General Meeting approves the following resolution:**

*“The Board is in accordance with the Norwegian Public Limited Liability Companies Act § 10-14 hereby granted the power of attorney to increase the share capital in Nordic Semiconductor ASA by up to NOK 179,000 by issuing up to 17,900,000 shares with a par value of NOK 0.01. The shareholders' pre-emptive rights pursuant to the Norwegian Public Limited Liability Companies Act § 10-4 may be set aside.*

*The power of attorney is given for the period from the date of this resolution up to the Annual General Meeting 2020, and 30 June 2020 at the latest. The authorization covers both cash and non-cash contributions. The authorization also covers the issue of shares in connection with a merger.*

*The terms of the subscription shall be decided by the Board of Directors.*

*In the event of changes in the Company's share capital or number of shares, as a result of a share split, reverse split, share capital increase, share capital decrease, merger, demerger or similar action, the authorization shall be adjusted with respect to par value and number of shares in accordance with principles for contract adjustments and capital changes in the derivatives rules of the Oslo Børs. However, such amendments shall not be made in defiance of the Norwegian Public Limited Liability Companies Act restrictions upon the number of shares to be issued pursuant to a Board authorization.*

*The Board is authorized to modify the Company's article § 5 to reflect the new share capital of the Company when the power of attorney is used.”*

## CONCERNING ITEM 8 IN THE INVITATION

### ELECTION OF SHAREHOLDER ELECTED MEMBERS TO SERVE ON THE BOARD OF DIRECTORS

The nomination committee proposes to elect the following Board members for a 1-year term until the Annual General Meeting in 2020, based on an assessment of the Company's requirements for competence within the Board with regard to independence, share ownership, broad industry experience, and expertise within important strategic areas for the Company.

The nomination committee's proposal for the shareholder-elected Board members is as follows:

Chair	Birger Steen	re-election
Board members	Jan Frykhammar	new election
	Anita Huun	new election
	Endre Holen	new election
	Inger Berg Ørstavik	re-election
	Øyvind Birkenes	new election
	Annastiina Hintsä	new election

## CONCERNING ITEM 9 IN THE INVITATION

### ELECTION OF MEMBERS TO SERVE ON THE NOMINATION COMMITTEE

The Board proposes that the following nomination committee is elected for 1 year term to the Annual General Meeting 2020:

Nomination committee members	John Harald Henriksen (Chair)	re-election
	Viggo Leisner	re-election
	Jarle Sjø	re-election

## **CONCERNING ITEM 10 IN THE INVITATION**

### **ELECTION OF NEW AUDITOR**

The Board believes that it is appropriate from time to time to conduct a competitive process for auditing services. Thus, the Company has carried out a thorough evaluation process where several auditing firms have been invited to present their expertise and to make a price offer for their services. The management has recommended, and the Board proposes to the general meeting, that PricewaterhouseCoopers AS is elected as the Company's auditor.

### **The Board proposes that the Annual General Meeting approves the following resolution:**

PricewaterhouseCoopers AS is elected as the Company's new auditor.

## CONCERNING ITEM 11 IN THE INVITATION

### APPROVAL OF THE DECLARATION OF THE PRINCIPLES FOR COMPENSATION OF THE CEO AND OTHER MEMBERS OF THE EXECUTIVE MANAGEMENT

The Board has established a Compensation Committee to recommend and evaluate remuneration principles and execution for the CEO, to guide and evaluate, principles and strategy for the compensation of Executive Management and to evaluate and oversee the overall compensation strategy for the Group. The Compensation Committee makes recommendations to the Board which reviews and approves the structure and suitability of the overall compensation plan for the Company, with specific focus on the CEO and Executive Management Team. The CEO's total compensation, and any adjustments, is first reviewed by the Compensation Committee and then approved by the Board. The Board considers CEO compensation each year. Within the guidelines set by the Board, base compensation for the Executive Management Team is set by the CEO. Performance-based compensation is approved by the Board."

The Board proposes the following Declaration of the Principles for Compensation of the CEO and other members of the Executive Management according to the Norwegian Public Limited Liability Companies Act § 6-16a:

*"The main principle of the Group's policy for remuneration and compensation is that the members of the Executive Management team shall be offered competitive terms, to achieve the desired competence and incentives in the Group's Executive Management team.*

*The Group has established an annual performance bonus program for the Executive Management team, in which the manager must remain within his position (not resigned) until the start of the following year in order to be eligible. The bonuses are awarded as a direct cash payment. The program targets are set for the entire team to recognize Nordic's culture, collaboration and interdependencies among the existing team members in addition to individual KPI's. Targets are set for total revenue, EBITDA, new product revenue and achievement of individual KPI's. Achievement of targets will result in a performance pay bonus of 25%, however not exceeding 50% of base salary.*

*The Executive Management team and other employees have a long-term incentive plan (LTI plan), structured as a 4-year option plan. The plan for the Executive Management team was approved in 2015 and 4 692 812 option grants have been made to both executives and other employees in 2016, 2017 and 2018. In addition, the Group has issued 1 752 366 share options for non-executive employees in 2019.*

*The LTI plan rewards employees for creating shareholder value over the long term. While the targets for the LTI plan is set at Group level, the grant size per individual may differ given the performance of the individual. The LTI plan is subject to an absolute limit and fulfilment of performance criteria, both decided by the Board at its discretion.*

*For the Executive Management team of 9 people, the Board has in 2019 recommended to replace the 2015 pure option program with a three-year combined options and performance shares-plan. The value at grant date is set so that the total value of the short-term incentive plan is in line with the long-term incentive plan.*

*It is proposed that 50% of the LTI plan in 2019 for the Executive Management team is issued as stock options with a 3-year vesting period (and otherwise pursuant to the terms and conditions approved by the general meeting in 2015) and 50% of the program is issued as performance shares. Executives are granted performance shares which are conditional upon the achievement of a certain set of*

*objectives, including revenue growth, EBITDA growth and individual KPI's. In addition, Nordic's share performance relative to the overall Semiconductor index (Philly Sox) is included in the evaluation.*

*The performance shares vest and will be delivered at par value upon the completion of the performance period, which is three years. Granting of shares is dependent on achievement of at least 80% of the set performance targets. At the threshold, 50% of the target will be granted, whilst on 120% achievement of a maximum 2 times the target will be granted.*

*In line with the market practices, the number of options and shares to be granted is changed during the annual grant cycle in consideration of the proven results, development and importance to the company of each executive. The grant size is proposed by the CEO. The Board reviews the rationales for the grants, refines and/or approves the grant sizes.*

*The maximum dilutive effect (i.e. the sum of the number of share options and performance shares) of the Executive Management long term incentive plan is set to 0.2% for 2019, assuming maximum target achievement after 3 years.*

*The Group offers pensions plans to all employees, Executive Management included. In addition, the Group provides the Executive team with other limited benefits in kind such as a company telephone.*

*The Group's Chief Executive Officer has agreed to a 6-month mutual resignation period, except that the resignation period increases to 12 months in the event that the Group is acquired or merged with another company. The rest of the executive management team has a 3 months resignation period and there are no severance pay agreements.*

*The guidelines for determination of salary and other compensation for leading employees as presented for the Annual General Meeting in 2018 have been executed, except for the option program for executive management, which the Board of Directors is proposing for the AGM to replace with the combined option/performance share program as described herein."*

**The Board proposes that the Annual General Meeting approves the following resolution:**

*"The Declaration of the Principles for the Compensation of the CEO and the other members of the Executive Management is adopted. The adopted declaration is of an advisory nature to the Board of Directors, cf. the Norwegian Public Limited Liability Companies Act § 5-6 (3).*

*The long-term share and option incentive plan (LTI plan) for the Compensation of the CEO and the other members of the Executive Management is adopted. The adopted LTI plan is binding on the Board of Directors based on the Norwegian Public Limited Liability Companies Act § 6-16 a."*

## **THE SHAREHOLDERS' RIGHTS**

The Company's share capital consists of 179,781,600 shares, each with a nominal value of NOK 0.01. Each share carries one vote at the general meeting, with the exception of shares held by the Company which cannot exercise these voting rights. The Company holds 4,545,000 treasury shares.

Shareholders have the right to vote for the number of shares that they own, and which are registered in the Central Securities Depository (VPS) at the time of the general meeting. If a shareholder has acquired shares, but these shares have not been registered in the VPS at the time of the general meeting, the voting rights of the transferred shares may only be exercised if the acquisition is notified to the VPS and is proved at the general meeting. Shareholders may bring advisor(s) and may authorize one advisor to speak at the general meeting.

If the shares are registered with a nominee, cf. section 4-10 of the Norwegian Public Limited Liability Companies Act, and the beneficial shareholder wants to attend the general meeting and vote for its shares, the beneficial shareholder must bring a written confirmation from the nominee confirming that the shareholder is the beneficial shareholder, and a statement from the shareholder confirming that he is the beneficial owner.

A shareholder is entitled to have a matter discussed at a general meeting if such shareholder provides the Board with notice of the matter in question at least seven days prior to the deadline of the notice of the general meeting. The General Meeting cannot otherwise deal with matters other than those described in the notice. Furthermore, the shareholders are entitled to request information from the directors and the CEO as stated in section 5-15 of the Norwegian Public Limited Liability Companies Act. A shareholder is entitled to propose resolutions for items listed on the agenda at the general meeting.

**REGISTRATION FORM**

If you would like to attend the shareholders' Annual General Meeting, please return the registration form to Nordic Semiconductor ASA attn. Pål Elstad at the Company's postal address Karenslyst Allé 5, 0278 Oslo, Norway or at the email address [agm@nordicsemi.no](mailto:agm@nordicsemi.no) before 09:00 am on April 23<sup>rd</sup> 2019.

The undersigned intends to attend Nordic Semiconductor ASA's general shareholders' meeting on April 24<sup>th</sup> 2019 and cast votes for: (registration number)

\_\_\_\_\_ own shares (number of shares)

\_\_\_\_\_ other shares, as stipulated in the attached power(s) of attorney.

Total \_\_\_\_\_ shares

Place: \_\_\_\_\_

Date: \_\_\_\_\_

.....  
Shareholder's signature

.....  
Shareholder's signature in capital letters:

**POWER OF ATTORNEY**

In the event that you are not able to attend the shareholders' Annual General Meeting in person, this power of attorney may be used by the person whom you hereby authorize to do so.

If you wish to use the power of attorney, please return this form to Nordic Semiconductor ASA attn. Pål Elstad at the Company's postal address Karenslyst Allé 5, 0278 Oslo, Norway or at the email address [agm@nordicsemi.no](mailto:agm@nordicsemi.no) before 09:00 am April 23<sup>rd</sup> 2019.

**The undersigned hereby bestows on: .....** **(Chair)**  
 the power of attorney to attend and vote at the general shareholders meeting of Nordic Semiconductor ASA's on April 24<sup>th</sup> 2019 for my/our \_\_\_\_\_ shares (number of shares).  
 Voting shall be made in accordance with the instructions below. If not completed the instructions are assumed to mean "yes" to the proposed resolutions according to the Calling Notice with required changes, if applicable. If "Yes" is completed, the proxy will have the right to decide the vote if proposals are put forward in addition to or as replacement for proposals in the notice.

Item	Yes	No	Abstain
<b>1</b> Opening of the shareholder meeting			
<b>2</b> Election of meeting chair and individual to sign the minutes			
<b>3</b> Approval of invitation and the agenda			
<b>4</b> Approval of annual financial statements and the Board's report, including consolidated accounts, for 2018			
<b>5</b> Approval of compensation to the Board, the nomination committee and the auditor			
Approval of compensation to the Board			
Approval of compensation to the nomination committee			
Approval of compensation to the auditor			
<b>6</b> Power of attorney for purchase of the Company's own shares			
<b>7</b> Power of attorney to increase the share capital			
<b>8</b> Election of members to serve on the Board of Directors:			
Chair : Birger Kristian Steen (re-election)			
Board Member: Jan Frykhammar (new)			
Board Member: Inger Berg Ørstavik (re-election)			
Board Member: Anita Huun (new)			
Board Member: Øyvind Birkenes (new)			
Board Member: Endre Holen (new)			
Board Member: Annastiina Hintsä (new)			
<b>9</b> Election of members to serve on the nomination committee:			
Member: John Harald Leisner (re-election)			
Member: Viggo Leisner (re-election)			
Member: Jarle Sjø (re-election)			
<b>10</b> Auditor as proposed by the Board of Directors			
<b>11</b> Approval of Declaration of the principles for compensation of the CEO and other members of the executive management			
<b>11.1</b> Approval of the Long-Term Incentive Plan for Executive Management			

Place: \_\_\_\_\_

Date: \_\_\_\_\_

.....  
 Shareholder's signature

.....  
 Shareholder's signature in capital letters