

# Report and Recommendations from the Nomination Committee to the 2020 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 2019, 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 including the sub committees.

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 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 2019, the Board of Directors of Nordic Semiconductor consisted of the following shareholder elected Directors:

Birger Steen, Chair

Inger Berg Ørstavik

Anita Huun

Endre Holen

Jan Frykhamar

Øyvind Birkenes

Annastiina Hintsa

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. Please see description on Company's website.

The Committee suggest that all shareholder elected candidates from 2019 AGM shall be reelected as Directors at this year's AGM.

Birger Steen, Chair

Inger Berg Ørstavik

Anita Huun

Endre Holen

Jan Frykhamar

Øyvind Birkenes

Annastiina Hintsu

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 2020**

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 historically has been too low to attract new international Directors, and as such recommended that the remuneration level was increased substantially in 2019. Therefore, the committee propose that remuneration to BoD and sub committees remain unchanged for 2020.

For the period from the 2020 AGM to the 2021 AGM the Nomination Committee proposes the following remuneration levels and principles:

	<b>Board Member Fee</b>	<b>Audit Committee Fee (for each meeting)</b>	<b>Remuneration Committee Fee (for each meeting)</b>	<b>Travel Time Allowance</b>
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 2021, 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 2021.

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, and Viggo Leisner have advised the Committee that they are available for re-election at the 2020 AGM, while Jarle Sjo wants to resign.

The Committee recommends that Mr. Eivind Lotsberg replaces Jarle Sjo.

#### ***Eivind Lotsberg (1972)***

***Finance Degree from BI (1995) and MBA from NHH (2013)***

***Eivind Lotsberg is portfolio manager in The Government Pensium Fund, Norway, responsible for Telecom, Technology og Health. He has more than 20 years relevant experience.***

John Harald Henriksen

Viggo Leisner

Eivind Lotsberg

The Nomination Committee proposes that the fees for the period between the 2020 AGM to the 2021 AGM will be NOK 60,000 (Unchanged from 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, 24 February 2020

John Harald Henriksen, Viggo Leisner and Jarle Sjø