

REMUNERATION  
REPORT  
2022



**NORDIC**<sup>®</sup>  
SEMICONDUCTOR

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# Introduction

## Preface and purpose

On behalf of the Board of Directors (“the Board” or “BoD”) of Nordic Semiconductor ASA (“Nordic” or “the Group”), the People and Compensation Committee (“PCC”) is pleased to present the Remuneration Report for 2022 (“Remuneration Report” or “the Report”).

The purpose of the Report is to provide a comprehensive, clear, and understandable overview of total remuneration to Senior Executives and Non-Executives in the Group, defined as Executive Management Team (“EMT”) and Board members, for the financial year 2022. The Report has been prepared in accordance with the Norwegian Public Limited Liability Act 1997 section 6–16 b, the Norwegian Regulation on Guidelines and Report on Remuneration of Leading Employees of 2020 (Nw.: Forskrift om retningslinjer og rapport om godtgjørelse for ledende personer) section 6, [and the Norwegian Accounting Act section 7–31b] (“the Regulation”).

The Report demonstrates how the remuneration is aligned with the “The Board of Directors’ Remuneration Guidelines and Policy for Remuneration of Senior Executives 2022” (Remuneration Guidelines and Policy), available on the Group website, adopted by the 2022 Annual General Meeting (“AGM”), and how the remuneration is linked to the performance of the Group.

Attracting, developing, and retaining highly skilled and motivated employees is the foundation of the Group’s business. To successfully implement the Group’s business strategy, deliver on our strategic priorities, and secure the long-term interests of shareholders, it is important that the Group offer its senior executives relevant, market-competitive total remuneration packages.



## Remuneration Report 2022

The information included in the Report is derived from the audited Annual Report of Nordic Semiconductor for the financial year 2022. The Report also contains additional information to meet the requirements of the Regulation and to explain Board and EMT remuneration. All amounts are in NOK 1,000, unless otherwise specified. Nordic’s functional currency is USD, but remuneration to the Board and EMT is denominated and paid in NOK. To be able to compare numbers over time, remuneration is presented in NOK throughout this Report, to avoid effects of currency fluctuations.

## Group performance in 2022

Nordic Semiconductor continued growing in 2022. We saw high demand in all market segments, with the highest growth rates in healthcare. Product demand remain high from our Tier-I customers while the supply situation remains an issue this year as our growth opportunity was capped by a global wafer shortage in our main product line. Revenue increased by 27.2% to USD 777 million. Product demand indicated this could have been higher without wafer supply constraints. We also managed to launch several new products in 2022 cementing our position for future growth within the connectivity industry.

For further details on the Group's performance in 2022, please see the Group's Annual Report for 2022.

## Remuneration 2022 changes

In this section, we provide a summary of the most important remuneration changes during 2022:

### Board of Directors

Changes to Board remuneration from the board period 2021–2022 to 2022–2023 were:

- The Chair's fixed compensation in the form of company shares was increased from NOK 350,000 to NOK 405,000
- The shareholder elected BoD members' fixed compensation in the form of company shares was increased from NOK 115,000 to NOK 137,500
- Participation for individual Board members in additional meetings with ad hoc committees is compensated with NOK 7,500 per meeting. This also applies for participation in additional working group meetings for individual members in either Audit Committee or PCC. Maximum payment for additional working group meetings is 75,000 per Board Member.

### Executive Management Team

Base salary: In 2022, EMT members received an average base salary increase of 6.25% at the annual salary review. This includes the members of EMT at the time of adjustment. The purpose was to enhance the competitiveness of the total compensation package, and to further reduce the gap to relevant peers according to benchmark, in alignment with the Group's Remuneration Guidelines and Policy.

A top-hat pension was approved by the Board in 2022. This means a pension contribution of 18% for salary above 12G is provided with effect from 01.01.2022.

## Compliance with the Remuneration Guidelines and Policy

The remuneration of the Board and the EMT complies with the Remuneration Guidelines and Policy adopted by the Annual General Meeting in April 2022, without any deviations. This includes a clawback agreement for all members of the EMT, stating that any remuneration paid or delivered under incentive schemes such as shares, options or cash, and any vested right to such remuneration, are subject to clawback by the Group in case of breach with the guidelines.

# Summary of key disclosures

Nordic Semiconductor’s Remuneration Report provides full disclosure of the Group’s remuneration provided to the Board and the EMT.

A summary of these disclosures is provided below.

## Remuneration of the Chair and the members of the Board

The Chair and the shareholder-elected members of the Board receive a fixed annual board fee as well as a fixed compensation delivered through company shares. The employee-elected board members receive a fixed annual board fee. Below is a summary of the total remuneration (fixed board fees, committee fees, company shares, and travel and time-zone compensation) provided to the members of the Board for the last two years. A fixed annual fee of NOK 60,000 for three members of the Nomination Committee, neither of whom is a member of the Board, was provided in 2021 and in 2022.

	2022 Remuneration	2021 Remuneration
<b>Birger Steen</b> Chair	1,587	1,197

	2022 Remuneration	2021 Remuneration
Board of directors	6,353	5,246

## Remuneration of the CEO

The CEO’s salary was reviewed and recommended by the Board’s People and Compensation Committee (“PCC”) based on the scope and nature of the position, the CEO’s qualifications, and external benchmarking analysis. It was put forward for decision and approved by the Board.

The remuneration of the CEO consists of fixed remuneration (base salary and benefits) and variable remuneration (Short- and long-term incentives - “STI” and “LTI”).

	Year	Total Fixed*	Bonus/STI	Options	RSU & PSU	Total
<b>Svenn-Tore Larsen</b>	2022	5,285	1,777	686	2,567	10,315
Chief Executive Officer	2021	4,360	2,308	94	2,027	8,789

*\*Including salary, fixed allowances, pension, and benefits.*

## Remuneration of the Executive Management Team (including the CEO)

The remuneration of members of the EMT was reviewed and supported by the PCC, and consists of fixed remuneration (base salary, fixed allowances, pension, and benefits) and variable remuneration (STI and LTI). Variable remuneration is impacted by performance assessment found in section “Achievement of STI KPIs in 2022” below.

EMT members	Year	Total Fixed*	Bonus/STI	Options	RSU & PSU	Total
EMT including the CEO	2022	32,062	9,217	2,877	11,232	55,388
	2021	25,617	11,596	510	9,104	46,827

*\*Including salary, fixed allowances, pension, and benefits.*

# Remuneration linked to business strategy

## Remuneration Guidelines and Policy

The purpose of the Remuneration Guidelines and Policy is to advance the Group's objectives for good corporate governance as well as sustained and long-term value creation for shareholders by providing a fundament for attraction and retention of relevant senior executives.

The Remuneration Guidelines and Policy are reviewed annually in conjunction with the Group's People and Performance Review process by the PCC and the full Board, and adjusted if needed, to reflect changes in regulatory requirements, expectations of stakeholders, and the Group's strategic priorities.

## Remuneration linked to mission and strategy

Nordic's mission is to provide world class connectivity solutions including ultra-low power proprietary, *Bluetooth*® Low Energy, Wi-Fi®, and cellular IoT.

The Group links remuneration to specific Key Performance Indicators (KPIs) and objectives in the belief that this makes our mission and strategy more likely to be attained. As an example, Environment, Social and Governance are important focus areas for the Group and our employees. Including ESG objectives as KPIs is aimed at increasing employee engagement and contribute to a better business outcome.

## Corporate Governance

Key remuneration decisions are made by the Board. The PCC operates as a preparatory committee for the Board in matters concerning remuneration. The PCC reviews, analyzes, discusses, evaluates, and recommends remuneration principles and decisions to the Board. Furthermore, the PCC evaluates and oversees the overall compensation strategy for the Group and secures Board oversight in other people and organization-related matters. The CEO's total compensation and any adjustments hereto, are reviewed and recommended by the PCC and then decided by the Board. The Board considers CEO compensation each year.

The PCC monitors trends in the Group's salary and bonus policies and practices. It monitors the short- and long-term incentive programs to ensure that they promote ongoing, long-term shareholder value creation, and compliance with the Remuneration Guidelines and Policy.

The PCC consisted of the following Board members during 2022:

- Endre Holen (Chair)
- Birger K. Steen
- Morten Dammen

The CFO and the EVP People & Communication are regular participants in the PCC. EVP People & Communication acts as secretary to the PCC. Other relevant contributors participate in meetings upon request by the PCC.

The PCC meets a minimum of four times a year. During 2022, five meetings were held with full member attendance.

# Board of Directors Remuneration

In line with market practice, members of the Board receive an annual fixed base fee. In addition, the shareholder-elected Board members receive an additional annual fixed fee through company shares. Each Chair and members of the three Board committees receive a fixed fee per committee meeting. Furthermore, USD 5,000 is paid per meeting for intercontinental travels, and USD 1,000 for European travel per meeting. Members of the Board with domicile in the United States receive USD 3,000 for each meeting taking place in the United States related to corporate activities.

Shareholder-elected members of the Board are not entitled to any variable- or performance related remuneration or pension contributions.

Employee-elected members of the Board, in their roles as employees of Nordic Semiconductor, are entitled to variable remuneration and staff benefits like their peers in the Group. Only remuneration related to their role as employee-elected members of the Board is disclosed in this Report.

Remuneration to the Board is decided by the Annual General Meeting ("AGM") based on the Nomination Committee's recommendation. The annual fees of the members of the Board take into account the required competencies, effort, and scope of work.

All members of the Board are non-executive directors at Nordic Semiconductor.

The annual fixed board fee assumes that the respective directors serve the whole election period of one year.

The Board period in Nordic Semiconductor is one year from the AGM to the following year's AGM. The AGM typically takes place end of April each year.

## Board fee structure for board periods 2021–2022 and 2022–2023

Board fees	Board period	Annual fixed board fee	Shares	Total annual Board remuneration
Chair	2022-2023	750	405	1,155
	2021-2022	750	350	1,100
Member, shareholder-elected	2022-2023	325	138	463
	2021-2023	325	115	440
Member, employee-elected	2022-2023	150		150
	2021-2022	150		150

The remuneration paid in the board periods 2021-2022 and 2022-2023 for the members of the different committees of the Board is outlined in the table below. The amounts are fixed fees per meeting.

Committee fees	Board period	Audit Committee	People and Compensation Committee
Committee chair	2022-2023	20.0	15.0
	2021-2022	20.0	15.0
Member	2022-2023	10.0	7,5
	2022-2022	10.0	7,5

## Board of Directors remuneration for the financial years 2021 and 2022 – audited\*

Name and position	Year	Annual base fee	Audit Committee**	PCC**	Other committee meetings	Fixed annual cash as shares***	Travel allowance and time-zone comp	Total remuneration
<b>Shareholder-elected</b>								
<b>Birger Steen</b>	2022	750		53		755	29	1,587
Chair	2021	750		113		325	9	1,197
<b>Øyvind Birkenes</b>	2022	325			23	253		601
Board member	2021	325				105		430
<b>Jan Frykhammar</b>	2022	325	160			253	29	767
Board member	2021	325	220			105	9	659
<b>Annastiina Hintsa</b>	2022	325			8	253	20	606
Board member	2021	325				105		430
<b>Endre Holen</b>	2022	325		105		253	185	868
Board member	2021	325		105		105	275	810
<b>Anita Huun</b>	2022	325	80			253		658
Board member	2021	325	130			105		560
<b>Inger Berg Ørstavik</b>	2022	325	80		8	253		666
Board member	2021	325	130			105		560
<b>Employee-elected</b>								
<b>Morten Dammen</b>	2022	150						150
Board member	2021	150						150
<b>Jon Helge Nistad</b>	2022	150						150
Board member	2021	150						150
<b>Anja Dekens</b>	2022	100						100
Board member								0
<b>Gro Fykse</b>	2022	100						100
Board member								0
<b>Susheel Nuguru</b>	2022	50						50
Board member	2021	150						150
<b>Joel Stapleton</b>	2022	50						50
Board member	2021	150						150
<b>Total Board Remuneration</b>	<b>2022</b>	<b>3,300</b>	<b>320</b>	<b>158</b>	<b>39</b>	<b>2,273</b>	<b>263</b>	<b>6,353</b>
	<b>2021</b>	<b>3,300</b>	<b>480</b>	<b>218</b>	<b>0</b>	<b>955</b>	<b>293</b>	<b>5,246</b>

\*The Board's compensation is paid in NOK. The Board's compensation shown in the above table covers the total remuneration expensed during the calendar year 2022, which includes one quarter from the 2021-2022 Board period, and three quarters from the Board period 2022-2023.

\*\*There are six ordinary Audit Committee meetings and one extraordinary, and a minimum of four ordinary PCC meetings during a year. 2022 includes payments for committee meetings in the board period 2021-2022 and committee meetings up until December 2022. 2021 includes payments for committee meetings in the board period 2020-2021.

\*\*\*A part of the annual compensation to the Board is paid with ordinary shares in Nordic Semiconductor ASA. At the AGM in 2022, it was decided to change the transfer date from delivering the shares after the period of service to before the period commences. As such, in connection with the 2022 AGM, the Board members received shares for both the 2021/2022 period and the 2022/2023 period. As a result, the 2022 amount includes payment for two periods.



# Executive Management Team Remuneration

CEO and EMT remuneration is reviewed by the PCC and resolved by the Board.

Members of the EMT receive remuneration in alignment with the Group's Remuneration Guidelines and Policy. No remuneration from responsibilities related to other entities of the Group is received.

Benchmarks are conducted in the respective relevant market for each position. Any proposal for adjusting remuneration components for the CEO, as well as for other members of the EMT, is presented to, reviewed, and discussed by the PCC, and submitted for decision to the Board.

Variable incentive programs are discretionary to the Board subject to overall Group performance and earnings.

## Remuneration structure, objectives and performance measures

Element	Objective	Remuneration level	Performance measure
Fixed base salary	Align with relevant markets to attract and retain qualified executives.	Fair and competitive according to market relevance for the respective positions.	Normally subject to annual review based on an evaluation of the individual's overall performance and contribution to the Group's goals.
Short-term incentive (STI)	Support and incentivize the EMT to deliver on the annual strategic objectives, short-term interests, and sustainability of the Group.	The target bonus amount for the CEO and EVP Sales & Marketing is 45% of their fixed base salary. For the rest of the EMT the amount is 40%. The maximum STI attainment is 58.5% and 52% respectively.	The bonus for the CEO and EMT is determined by the Group's performance on a pre-defined set of KPIs: - Financial (75%) - ESG (12.5%) - Individual (12.5%)
Long-term incentive (LTI)	Support the multi-year strategic objectives, long-term interests, and sustainability of the Group. Retention of key executives.	LTI value target of 55% for the CEO and 45% for the EMT of the annual fixed base salary at the time of grant, divided 50/50 between RSUs and PSUs. Three year vesting period.	The following Group and individual objectives determine the amount of PSUs given at vesting date, ranging from 0-200% performance and payout. Based on an assessment of KPI's on these parameters: - Financial (70%) - Individual (20%) - ESG (10%)
Insurance and other benefits	Market competitiveness	The EMT is covered by the Group's competitive insurance policies. Other benefits include company phone.	N/A
Pension	Market competitiveness	The EMT have a defined contribution pension plan. The main benefit is a contribution of 7% of salary up to 7.1 basis points (G) and 18% of salary between 7.1G and 12G. Top hat pension was added for salary above 12G from January 1st, 2022, with 18% contribution rate.	N/A
Severance pay	Market relevance and executive retention	Severance pay equivalent to one year's base salary is agreed to be paid to the CEO and EMT members in case of involuntary termination within 12 months after a potential merger or acquisition.	N/A

Total remuneration for members of the Executive Management Team 2022 and 2021 – audited

Name and position	Year	Fixed remuneration					Variable remuneration					Total remuneration	Ratio Fixed vs. variable
		Base salary	Fixed allowance	Pension*****	Benefits	Total fixed remuneration	Bonus/STI****	Options & PSU***	RSU & PSU***	Total variable remuneration			
<b>Svenn-Tore Larsen</b> Chief Executive Officer	2022	4,430		837	18	5,285	1,777	686	2,567	5,030	10,315	51% / 49%	
	2021	4,177		152	31	4,360	2,308	94	2,027	4,429	8,789	50% / 50%	
<b>Pål Elstad</b> CFO/EVP Finance	2022	2,625		408	35	3,068	939	330	1,193	2,462	5,530	55% / 45%	
	2021	2,474		156	16	2,646	1,226	57	957	2,240	4,886	54% / 46%	
<b>Katarina Finneng</b> EVP People & Communication	2022	2,187		338	30	2,555	802	10	987	1,799	4,354	59% / 41%	
	2021	2,044		152	14	2,210	1,012	49	589	1,650	3,860	57% / 43%	
<b>Marianne Frydenlund*****</b> SVP Legal	2022	1,162		87	12	1,261		180	0	180	1,441	87% / 13%	
	2021	1,560		151	14	1,725	773	14	583	1,370	3,095	56% / 44%	
<b>Kjetil Holstad</b> EVP Product Management	2022	1,950		288	31	2,269	707	196	837	1,740	4,009	57% / 43%	
	2021	1,781		151	17	1,949	865	35	635	1,535	3,484	56% / 44%	
<b>Geir Langeland*****</b> EVP Sales & Marketing	2022	2,790		481	39	3,310	1,137	345	1,444	2,926	6,236	53% / 47%	
	2021	2,615		154	14	2,783	1,439	61	1,132	2,632	5,415	51% / 49%	
<b>Ole Fredrik Morken*</b> EVP Supply Chain	2022	2,392	527	300	30	3,249	716	275	939	1,930	5,179	63% / 37%	
	2021	2,279	527	155	14	2,975	933	49	772	1,754	4,729	63% / 37%	
<b>Svein Egil Nielsen</b> CTO/EVP R&D and Strategy	2022	2,967		498	36	3,501	1,077	392	1,348	2,817	6,318	55% / 45%	
	2021	2,797		155	18	2,970	1,385	69	1,096	2,550	5,520	54% / 46%	
<b>Ebbe Rømcke*****</b> SVP Quality & Sustainability	2022	1,815		246	15	2,076	622	220	800	1,642	3,718	56% / 44%	
	2021	1,742		154	14	1,910	826	39	643	1,508	3,418	56% / 44%	
<b>Ståle Ytterdal**</b> SVP IR & Strategic Sales	2022	1,770	180	242	38	2,230	626	243	810	1,679	3,909	57% / 43%	
	2021	1,724	198	153	14	2,089	829	43	670	1,542	3,631	58% / 42%	
<b>Linda Petterson*****</b> SVP Legal & Compliance	2022	1,305		167	15	1,487	387		35	422	1,909	78% / 22%	
<b>Ola Boström*****</b> SVP Quality & Sustainability	2022	1,541		197	33	1,771	427		272	699	2,470	72% / 28%	
<b>Total earned</b>	2022	26,934	707	4,089	332	32,062	9,217	2,877	11,232	23,326	55,388	58% / 42%	
	2021	23,193	725	1,533	166	25,617	11,596	510	9,104	21,210	46,827	55% / 45%	

\*Fixed allowance is expenses living abroad (expat allowance and travel).

\*\*Fixed allowance for being Representative officer for Nordic's China offices.

\*\*\*Expense cost options, PSUs and RSUs. The value of stock options remaining from the 4-year option program that commenced in 2016. 2022 was the final year the EMT realized these options.

\*\*\*\*Bonus earned during 2022 and paid out in 2023.

\*\*\*\*\*In 2021 additional discretionary bonus of 5% of base salary was provided for extraordinary performance.

\*\*\*\*\*Top hat pension from 2022.

\*\*\*\*\*Marianne Frydenlund and Ebbe Rømcke are no longer a part of the EMT by year end 2022. Linda Petterson and Ola Boström joined the EMT during 2022, in July and August respectively.



### Variable remuneration

This section provides further information on the variable remuneration for the EMT. Nordic Semiconductor offers performance-based variable remuneration to motivate desired behavior and performance, and to ensure alignment with shareholder interests.

Short-term incentives reflect the performance of the financial year against annually agreed KPIs, while long-term incentives are used to ensure alignment with shareholder interests on a longer time horizon. STI, LTI, and any other incentive arrangements are at the discretion of the Board and subject to overall Group performance and earnings.

### Short-term incentives

The short-term incentive program is a variable cash-based incentive scheme with a term of 12 months. Bonus target levels are analyzed and benchmarked to relevant markets. The target bonus amount for the CEO and EVP Sales & Marketing is 45% of their fixed base salary. For the rest of the EMT, the amount is 40%. The maximum STI attainment is 58.5% and 52% respectively.

The STI rewards for members of the EMT are based on the attainment of performance targets supporting the Group strategy and priorities. The targets comprise a number of KPIs that are defined at the beginning of the year in collaboration between the administration and the PCC, finally decided by the Board. The KPIs are subject to change at the Board’s discretion for continued relevance and alignment with shareholder interests.

On an annual basis, the Board undertakes the exercise of ensuring that the annual STI measures are aligned with the long-term ambitions, and that annual targets are sufficiently challenging to achieve in the context of Nordic Semiconductor’s strategy.

### Achievement of STI KPIs in 2022

The 2022 performance KPIs summarized below for the EMT include both financial (75%) and non-financial (25%) measures evaluated after confirmation of the year-end financial results. Financial targets are measured against results audited by Nordic Semiconductor’s external auditor. Non-financial targets are, where relevant, validated and evaluated by third parties. The targets are set and performance is evaluated by the PCC and resolved by the Board.

Assessment of the individual performance of each member of the EMT is considered by the CEO and endorsed by the Board. The PCC considers and endorses all bonus amounts in the Group’s incentive programs before assessments and amounts are submitted for approval by the Board.

KPIs selected	Weight	Results
Core revenue vs. budget	30%	Slightly below target
New revenue vs. budget	20%	Below target
TSR vs industry index	25%	Below target
ESG	12.5%	Above target
Individual objectives	12.5%	N/A

## Long-term incentives

For the EMT, the LTI program consists of a 50/50 combination of RSUs and PSUs, with a vesting period of three years. In order to receive the RSUs and PSUs, the EMT member must remain employed in the Group at the vesting date, without termination date. In addition, the PSUs are conditional upon the achievement of corporate and individual KPIs. The maximum payout for the PSUs is 200% upon maximum overall weighted achievement of the set KPIs. The payout is 0% if the overall weighted achievement of the set KPIs is below the threshold level.

Retention, and supporting the multi-year strategic objectives, long-term interests, and the sustainability of the Group, are important purposes with the LTI program. Aligning the interests of the EMT with the interests of shareholders and other relevant stakeholders, is crucial. The PSU KPIs are therefor designed to contribute to a better business outcome. This means, revenue growth and share price development comprise the bulk part of the PSU KPIs, while ESG and individual KPIs amplify personal engagement.

## Overview of exercised and outstanding options for EMT in 2022

The 2019 options were granted May 3, 2019 at a strike price of NOK 45.1. The options had a cap of NOK 135.3.

For all the above mentioned grants, the Group has settled the vested options in 2022 by compensating the employee the difference between the cap and the strike price.

## Overview of exercised and outstanding options and PSU for EMT in 2022

Executive Management Team	Grant year	Outstanding options/PSU 31.12.2021	Number of options/ PSU exercised*	Outstanding options/PSU 31.12.2022	Strike price	Cash payout/Payout value*
<b>Svenn-Tore Larsen</b> Chief Executive Officer	2019 options	12,721	12,721	0	45.1	1,147
	2019 PSU	26,872	26,872	0		5,126
<b>Pål Elstad</b> CFO/EVP Finance	2019 options	7,880	7,880	0	45.1	711
	2019 PSU	12,804	12,804	0		2,442
<b>Katarina Finneng</b> EVP People & Communication	2019 options	6,667	6,667	0	45.1	601
<b>Marianne Frydenlund</b> SVP Legal	2019 options	4,315	4,315	0	45.1	389
	2019 PSU	7,012	7,012	0		1,329
<b>Kjetil Holstad</b> EVP Product Management	2019 options	4,691	4,691	0	45.1	423
	2019 PSU	7,622	7,622	0		1,444
<b>Geir Langeland</b> EVP Sales & Marketing	2019 options	8,256	8,256	0	45.1	745
	2019 PSU	13,414	13,414	0		2,559
<b>Ole Fredrik Morken</b> EVP Supply Chain	2019 options	6,567	6,567	0	45.1	592
	2019 PSU	10,670	10,670	0		2,035
<b>Svein Egil Nielsen</b> CTO/EVP R&D and Strategy	2019 options	9,381	9,381	0	45.1	846
	2019 PSU	15,244	15,244	0		2,908
<b>Ebbe Rømcke</b> SVP Quality & Sustainability	2019 options	5,254	5,254	0	45.1	474
	2019 PSU	8,536	8,536	0		1,618
<b>Ståle Ytterdal</b> SVP IR & Strategic Sales	2019 options	5,816	5,816	0	45.1	525
	2019 PSU	9,452	9,452	0		1,803

\*Number of options are in whole numbers. Cash payout is in NOK 1,000.

## RSU and PSU grants awarded to the Executive Management Team for 2022 and 2021 – audited

All the numbers in the table below are in whole numbers. All RSUs and PSUs from 2021 and 2020 are outstanding as of 31.12.2022.

Executive Management Team	Grant year	RSU					PSU				
		Outstanding 31.12.2021	Vested	Awarded	Outstanding 31.12.2022	Payout value	Outstanding 31.12.2021	Vested	Awarded	Outstanding 31.12.2022	Payout value
<b>Svenn-Tore Larsen</b> Chief Executive Officer	2020	10,621			10,621		10,621			10,621	
	2021	10,933			10,933		6,213			6,213	
	2022			6,532	6,532			6,532		6,532	
<b>Pål Elstad</b> CFO/EVP Finance	2020	6,345			6,345		6,345			6,345	
	2021	3,056			3,056		3,056			3,056	
	2022			3,193	3,193			3,193		3,193	
<b>Katarina Finneng</b> EVP People & Communication	2020	5,241			5,241		5,241			5,241	
	2021	2,524			2,524		2,524			2,524	
	2022			2,662	2,662			2,662		2,662	
<b>Marianne Frydenlund*</b> SVP Legal	2020	4,000			0		4,000			0	
	2021	1,927			0		1,927			0	
	2022			1,994	0			1,994		0	
<b>Kjetil Holstad</b> EVP Product Management	2020	4,276			4,276		4,276			4,276	
	2021	2,156			2,156		2,156			2,156	
	2022			2,380	2,380			2,380		2,380	
<b>Geir Langeland</b> EVP Sales & Marketing	2020	6,621			6,621		6,621			6,621	
	2021	6,139			6,139		3,189			3,189	
	2022			3,379	3,379			3,379		3,379	
<b>Ole Fredrik Morken</b> EVP Supply Chain	2020	5,241			5,241		5,241			5,241	
	2021	2,325			2,325		2,325			2,325	
	2022			2,429	2,429			2,429		2,429	
<b>Svein Egil Nielsen</b> CTO/EVP R&D and Strategy	2020	7,172			7,172		7,172			7,172	
	2021	3,455			3,455		3,455			3,455	
	2022			3,609	3,609			3,609		3,609	
<b>Ebbe Rømcke</b> SVP Quality & Sustainability	2020	4,276			4,276		4,276			4,276	
	2021	2,059			2,059		2,059			2,059	
	2022			2,111	2,111			2,111		2,111	
<b>Ståle Ytterdal</b> SVP IR & Strategic Sales	2020	4,414			4,414		4,414			4,414	
	2021	2,066			2,066		2,066			2,066	
	2022			2,087	2,087			2,087		2,087	

\*RSU/PSU are forfeited when leaving the company.

# Comparative overview

The following tables show the total remuneration of the EMT and the Board over the past five reported financial years, in comparison with some selected corporate performance measures and average base salary increases for all employees in Norway excl. EMT. For comparison purposes, the figures have been annualized.

## Comparison of total remuneration and Group performance over the past five reported financial years – audited

Executive Management Team	2022	Change %	2021	Change %	2020	Change %	2019	Change %	2018
Svenn-Tore Larsen, Chief Executive Officer	10,315	17.3%	8,790	32.6%	6,629	41.5%	4,684	(1.9)%	4,776
Pål Elstad, CFO/EVP Finance	5,530	13.2%	4,885	21.9%	4,009	16.9%	3,429	18.5%	2,893
Katarina Finneng, EVP People & Communication*	4,354	12.8%	3,861	27.5%	3,028	29.2%	2,344		
Marianne Frydenlund, SVP Legal*			3,094	25.3%	2,469	26.2%	1,957	13.4%	1,726
Kjetil Holstad, EVP Product Management*	4,009	15.1%	3,484	27.0%	2,744	18.2%	2,322		
Geir Langeland, EVP Sales & Marketing	6,236	15.2%	5,415	28.0%	4,231	23.3%	3,432	22.4%	2,805
Ole Fredrik Morken, EVP Supply Chain	5,179	9.5%	4,728	12.5%	4,203	16.3%	3,614	8.7%	3,324
Svein Egil Nielsen, CTO/EVP R&D and Strategy	6,318	14.5%	5,520	22.2%	4,518	26.0%	3,585	30.5%	2,747
Ebbe Rømcke, SVP Quality & Sustainability			3,417	22.4%	2,792	17.0%	2,386	22.4%	1,949
Ståle Ytterdal, SVP IR & Strategic Sales*	3,909	7.7%	3,630	18.9%	3,052	21.1%	2,520		
Thomas Bonnerud, (former Director of Strategy & IR)									1,950
Linda Petterson, SVP Legal & Compliance*	3,118								
Ola Boström, SVP Quality & Sustainability*	3,392								
<b>Total EMT remuneration</b>	<b>52,360</b>	<b>11.8%</b>	<b>46,824</b>	<b>24.3%</b>	<b>37,675</b>	<b>24.5%</b>	<b>30,273</b>	<b>36.5%</b>	<b>22,170</b>

### Performance indicator

Revenue (in USD 1,000)	776,734	27.2%	610,528	50.7%	405,217	40.5%	288,395	6.4%	271,134
Operating profit (in USD 1,000)	161,602	85.9%	86,920	90.1%	45,714	393.0%	9,272	(34.0)%	14,047
Average base salary FTE in Norway (excl. EMT)**	796	6.4%	748	5.7%		5.1%		6.6%	
Average base salary increases for EMT***		6.3%		7.2%		10.6%		15.9%	

\*Marianne Frydenlund joined the EMT in May 2018, and left in July 2022. Kjetil Holstad joined the EMT in March 2019. Ståle Ytterdal joined the EMT in April 2019. Katarina Finneng joined the EMT in September 2019. Linda Petterson joined the EMT in July 2022. Ola Boström joined the EMT in August 2022.

\*\*In addition to base salary, employees also received other remuneration elements, such as STI, LTI, and pension in all the years highlighted in the above table.

\*\*\*Salary increase numbers for EMT includes both ordinary and promotional increases as several members joined EMT and/or got new roles within EMT the last 5 years.



## Comparison of remuneration of the Board over the past five reported financial years – audited

Board of Directors	2022	Change %	2021	Change %	2020	Change %	2019	Change %	2018
Birger Steen, Chair (from December 2018)	1,587	32.6%	1,196	6.8%	1,120	22.5%	914	41.3%	647
Terje Rogne, Chair (until October 2018)	—	N/A	—	N/A	—	N/A	—	(100.0)%	614
Øyvind Birkenes, Shareholder-elected board member	601	39.5%	430	7.5%	400	—%	400	N/A	—
Jan Frykhammar, Shareholder-elected board member	767	16.3%	659	30.4%	505	15.0%	439	N/A	—
Annastiina Hintsa, Shareholder-elected board member	606	40.7%	430	7.5%	400	22.7%	326	N/A	—
Endre Holen, Shareholder-elected board member	868	7.1%	810	70.6%	475	2.2%	465	N/A	—
Anita Huun, Shareholder-elected board member	658	17.4%	560	19.1%	470	33.1%	353	N/A	—
Inger Berg Ørstavik, Shareholder-elected board member	666	18.8%	560	19.1%	470	7.1%	439	90.0%	231
Anne Cecilie Fagerlie, Shareholder-elected board member (until April 2018)	—	N/A	—	N/A	—	N/A	—	(100.0)%	69
Beatriz Malo de Molina, Shareholder-elected board member (until April 2018)	—	N/A	—	N/A	—	N/A	—	(100.0)%	215
Craig Ochikubo, Shareholder-elected board member (until April 2019)	—	N/A	—	N/A	—	(100.0)%	221	(65.0)%	632
Anne Marit Panengstuen, Shareholder-elected board member (until September 2019)	—	N/A	—	N/A	—	(100.0)%	221	7.2%	206
Tore Valderhaug, Vice-Chair and Board member (until April 2019)	—	N/A	—	N/A	—	(100.0)%	400	(2.4)%	410
Morten Dammen, Employee-elected board member	150	—%	150	12.8%	133	77.3%	75	N/A	—
Jon Helge Nistad, Employee-elected board member	150	—%	150	12.8%	133	33.0%	100	—%	100
Anja Dekens, Employee-elected board member	100	N/A	—	N/A	—	N/A	—	N/A	—
Gro Fykse, Employee-elected board member	100	N/A	—	N/A	—	N/A	—	N/A	—
Susheel Nuguru, Employee-elected board member (until April 2022)	50	(66.7)%	150	12.8%	133	33.0%	100	33.3%	75
Joel Stapleton, Employee-elected board member (until April 2022)	50	(66.7)%	150	33.3%	113	N/A	—	N/A	—
Joakim Ferm, Employee-elected board member (until April 2018)	—	N/A	—	N/A	—	(100.0)%	25	—%	25
Lasse Olsen, Employee-elected board member (until April 2017)	—	N/A	—	N/A	—	N/A	—	N/A	—
Asbjørn Sæbø, Employee-elected board member (until April 2019)	—	N/A	—	(100.0)%	25	(75.0)%	100	—%	100
<b>Total Board of Directors remuneration</b>	<b>6,353</b>	<b>21.1%</b>	<b>5,245</b>	<b>19.8%</b>	<b>4,377</b>	<b>(4.4)%</b>	<b>4,578</b>	<b>37.7%</b>	<b>3,324</b>
<b>Performance indicator</b>									
Revenue (in USD 1,000)	776,734	27.2%	610,528	50.7%	405,217	40.5%	288,395	6.4%	271,134
Operating profit (in USD 1,000)	161,602	85.9%	86,920	90.1%	45,714	393.0%	9,272	(34.0)%	14,047
Average base salary FTE in Norway (excl. EMT)	796	6.4%	748	5.7%		5.1%		6.6%	
Average base salary increases for EMT		6.3%		7.2%		10.6%		15.9%	

# Statement by the Board of Directors

Today, the Board of Directors have considered and approved the Remuneration Report of Nordic Semiconductor ASA for the financial year 1 January–31 December 2022.

The Remuneration Report 2022 has been prepared in accordance with the Norwegian Public Limited Liability Act 1997 section 6-16 b, the Norwegian Regulation on Guidelines, and Report on Remuneration of Leading Employees of 2020.

The 2021 Remuneration Report was approved by the annual general meeting with over 95% favorable votes. Following the broad approval, no significant amendments were made to the Remuneration Guidelines and Policy.

In our opinion, the Remuneration Report 2022 is in accordance with the Remuneration Guidelines and Policy adopted at the annual general meeting, and is free from material misstatement and omissions, whether due to fraud or error.

The Remuneration Report 2022 is subject to submission for an advisory vote at the annual general meeting in March 2023.

Oslo, March 17, 2023



**Jan Frykhammar**  
Board member



**Birger Steen**  
Chair



**Anita Huun**  
Board member



**Inger Berg Ørstavik**  
Board member



**Svann-Tore Larsen**  
Chief Executive Officer



**Endre Holen**  
Board member



**Øyvind Birkenes**  
Board member



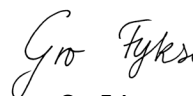
**Jon Helge Nistad**  
Board member, employee



**Annastiina Hintsa**  
Board member



**Anja Dekens**  
Board member, employee



**Gro Fykse**  
Board member, employee



**Morten Dammen**  
Board member, employee

# Independent auditor's assurance report



To the General Meeting of Nordic Semiconductor ASA

## Independent auditor's assurance report on report on salary and other remuneration to directors

### Opinion

We have performed an assurance engagement to obtain reasonable assurance that Nordic Semiconductor ASA report on salary and other remuneration to directors (the remuneration report) for the financial year ended 31 December 2022 has been prepared in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

In our opinion, the remuneration report has been prepared, in all material respects, in accordance with section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation.

### Board of directors' responsibilities

The board of directors is responsible for the preparation of the remuneration report and that it contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and for such internal control as the board of directors determines is necessary for the preparation of a remuneration report that is free from material misstatements, whether due to fraud or error.

### Our Independence and Quality Management

We are independent of the company as required by laws and regulations and the International Ethics Standards Board for Accountants' Code of International Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We apply the International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, and accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Auditor's responsibilities

Our responsibility is to express an opinion on whether the remuneration report contains the information required in section 6-16 b of the Norwegian Public Limited Liability Companies Act and the accompanying regulation and that the information in the remuneration report is free from material misstatements. We conducted our work in accordance with the International Standard for Assurance Engagements (ISAE) 3000 – *Assurance engagements other than audits or reviews of historical financial information*.

We obtained an understanding of the remuneration policy approved by the general meeting. Our procedures included obtaining an understanding of the internal control relevant to the preparation of the remuneration report in order to design procedures that are appropriate in the circumstances, but

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not for the purpose of expressing an opinion on the effectiveness of the company's internal control. Further we performed procedures to ensure completeness and accuracy of the information provided in the remuneration report, including whether it contains the information required by the law and accompanying regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Oslo, 17 March 2023  
PricewaterhouseCoopers AS

Eivind Nilsen  
State Authorised Public Accountant  
(electronically signed)

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