



## **AGENDA FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS 2018 OF NXP SEMICONDUCTORS N.V.**

To be held at the NXP Head Office, High Tech Campus 60, Eindhoven 5656 AG, the Netherlands, on June 22, 2018 at 10.00 am CET.

### **1 Opening**

### **2 Annual Report 2017**

- (a) Discussion of the implementation of the remuneration policy
- (b) Discussion of the dividend and reservation policy
- (c) Discussion of the 2017 statutory annual report and proposal to adopt the 2017 statutory annual accounts (*voting item*)
- (d) Proposal to discharge the executive member and non-executive members of the Board of Directors for their responsibilities in the financial year 2017 (*voting item*)

### **3 Composition of the Board of Directors**

- (a) Proposal to re-appoint Mr. Richard L. Clemmer as executive director (*voting item*)
- (b) Proposal to re-appoint Sir Peter Bonfield as non-executive director (*voting item*)
- (c) Proposal to re-appoint Mr. Johannes P. Huth as non-executive director (*voting item*)
- (d) Proposal to re-appoint Mr. Kenneth A. Goldman as non-executive director (*voting item*)
- (e) Proposal to re-appoint Mr. Josef Kaeser as non-executive director (*voting item*)
- (f) Proposal to re-appoint Mr. Eric Meurice as non-executive director (*voting item*)
- (g) Proposal to re-appoint Mr. Peter Smitham as non-executive director (*voting item*)
- (h) Proposal to re-appoint Ms. Julie Southern as non-executive director (*voting item*)
- (i) Proposal to re-appoint Mr. Gregory Summe as non-executive director (*voting item*)

### **4 Conditional appointments to the Board of Directors in connection with, and subject to the closing of the Offer by Qualcomm:**

- (a) Conditional appointment as per Closing of Mr. Steve Mollenkopf as executive director (*voting item*)
- (b) Conditional appointment as per Closing of Mr. George S. Davis as non-executive director (*voting item*)



- (c) Conditional appointment as per Closing of Mr. Donald J. Rosenberg as non-executive director (*voting item*)
- (d) Conditional appointment as per Closing of Mr. Brian Modoff as non-executive director (*voting item*)
- (e) Conditional appointment as per Closing of Mr. Rob ter Haar as non-executive director (*voting item*)
- (f) Conditional appointment as per Closing of Prof. Dr. Steven Perrick as non-executive director (*voting item*)

**5 Authorization of the Board of Directors to (i) issue shares or grant rights to acquire shares and (ii) restrict or exclude pre-emption rights**

- (a) Proposal to authorize the Board of Directors for a period of 18 months, with effect from this annual general meeting of shareholders (the “**2018 AGM**”) as the body that is authorized to issue ordinary shares and grant rights to acquire ordinary shares within the limits set out in the explanatory notes to this agenda item 5 (*voting item*)
- (b) Proposal to authorize the Board of Directors for a period of 18 months, with effect from the 2018 AGM as the body that is authorized to restrict or exclude pre-emption rights accruing in connection with an issue of shares or grant of rights pursuant to the authorization referred to under proposal 5 (a) (*voting item*)

**6 Authorization to repurchase shares in the Company's capital**

Proposal to authorize the Board of Directors for a period of 18 months, with effect from the 2018 AGM to acquire ordinary shares, on NASDAQ or otherwise, at a price between EUR 0.01 and a price equal to 110% of the market price of the ordinary shares on NASDAQ (the market price being the average of the closing prices on the five trading days prior to the date of the acquisition), within the limits as set out in the explanatory notes to this agenda item 6 (*voting item*).

**7 Cancellation of ordinary shares**

Proposal to cancel ordinary shares held or to be acquired by the Company. The number of ordinary shares that will be cancelled shall be determined by the Board of Directors, but may not exceed 20% of the issued share capital as of the 2018 AGM (*voting item*).

**8. Re-appointment of the external auditor**

Proposal to re-appoint KPMG Accountants N.V. as the Company's external auditor for a one-year period (*voting item*).

*Agenda items indicated as "Proposal" are voting items.*



## EXPLANATORY NOTES TO THE AGENDA

### 1 Opening

Welcome and announcements

### 2 Annual Report 2017

#### Item 2 (a): Discussion of the implementation of the remuneration policy

An explanation to the implementation of the remuneration policy is given in the annual report, in particular in the report of the Board of Directors. The implementation of the remuneration policy will be further discussed at the general meeting.

#### Item 2 (b): Discussion of the dividend and reservation policy

Pursuant to the dividend and reservation policy, the Company currently retains all earnings for use in the operation and expansion of the business, to repurchase shares and to repay debt. If in the future, the Board of Directors may decide to not allocate all profits to the Company's reserves (making such profits available to be distributed as dividends), any decision to pay dividends on the ordinary shares will be at the discretion of the general meeting.

#### Item 2 (c): Discussion of the 2017 statutory annual report and proposal to adopt the 2017 Statutory Annual Accounts (voting item)

The Company has prepared two sets of financial statements, one based on accounting principles generally accepted in the United States of America ("U.S. GAAP") and one based on Dutch law and International Financial Reporting Standards as adopted by the European Union (the "Statutory Annual Accounts").

For internal and external reporting purposes, the Company follows U.S. GAAP. However, as required by Dutch law, the 2017 Statutory Annual Accounts are the annual accounts that are being submitted to the general meeting for adoption. The 2017 statutory annual report, including the 2017 Statutory Annual Accounts, as prepared in accordance with Dutch law, is published on the Company's website ([www.investors.nxp.com](http://www.investors.nxp.com)) and is also available at the principal offices of the Company.

#### Item 2 (d): Proposal to discharge the executive member and non-executive members of the Board of Directors for their responsibilities in the financial year 2017 (voting item)

It is proposed to discharge the members of the Board of Directors, in accordance with Dutch law, for the performance of their respective duties in the financial year 2017. The proposed discharge only covers the matters that are disclosed in the statutory annual report or otherwise publicly disclosed at the time the resolution to discharge is adopted.



### 3 Composition of the Board of Directors

The current term of appointment of all members of the Board of Directors will expire at the end of the 2018 AGM, or, if earlier, as per the closing of the tender offer (the "Offer") made by Qualcomm River Holdings B.V. ("**Buyer**"), an indirect wholly owned subsidiary of Qualcomm Incorporated, pays for all shares validly tendered and not properly withdrawn pursuant to Buyer's tender offer to acquire all of the outstanding ordinary shares of the Company ("Closing").

The Board of Directors has nominated below members for reappointment; Dr. Marion Helmes and Mr. Ian Loring do not stand for re-election to the Board of Directors. The nominations by the Board of Directors are made in accordance with article 14.4 of the articles of association of the Company.

All reappointments – referred to under 3.a to and including 3.i - will take effect directly after the 2018 AGM and shall be for a term ending directly after the 2019 annual general meeting of shareholders (the "**2019 AGM**"). However, if the Closing occurs prior to the 2019 AGM, the reappointment term ends as per the Closing. In this respect, reference is made to the appointment resolutions adopted by the extraordinary meeting of shareholders of the Company held on January 27, 2017 (the "**2017 EGM**") and the proposed resolutions referred to in item 4. of this agenda. In case the Closing occurs prior to the date of this annual meeting of shareholders, this agenda item 3 and all appointment proposals made hereunder will be withdrawn.

#### Item 3 (a): Proposal to re-appoint Mr. Richard L. Clemmer as executive director (voting item)

Mr. Clemmer (1951, American) became executive director, president and chief executive officer on January 1, 2009. Prior to that, from December 2007, Mr. Clemmer was a member of the supervisory board of NXP B.V. and a senior advisor of Kohlberg Kravis Roberts & Co. Prior to joining NXP, he was the President and CEO of Agere Systems, served as Chairman of u-Nav Microelectronics Corporation, and was executive vice president and chief financial officer at Quantum Corporation. Prior to that, Mr. Clemmer worked for Texas Instruments Incorporated as senior vice president and semiconductor group chief financial officer. Mr. Clemmer also serves on the board of NCR Corporation.

If, during the period up to the 2019 AGM, it becomes certain that the transaction between Qualcomm and NXP will not happen, and subject to the condition the Closing will not occur, NXP and Mr. Clemmer will extend the current management services agreement with two years until the 2020 AGM, maintaining the current conditions with the following main amendments: (i) base salary will be increased by 5% (up to €1,2M), and (ii) the on-target cash incentive percentage will be increased to 150% of the base salary.

#### Item 3 (b): Proposal to re-appoint Sir Peter Bonfield as non-executive director (voting item)

Sir Peter Bonfield CBE FEng (1944, British) has been appointed as a non-executive director and as the chairman of our board of directors in August 2010. Prior to that, Sir Peter was the chairman of



the supervisory board of NXP B.V. from September 29, 2006. Sir Peter served as chief executive officer and chairman of the executive committee for British Telecom plc from 1996 to 2002 and prior to that was chairman and chief executive officer of ICL plc (now Fujitsu Services Holdings Ltd.). Sir Peter also worked in the semiconductor industry during his tenure as a divisional director at Texas Instruments Incorporated, for whom he held a variety of senior management positions around the world. Sir Peter currently holds non-executive directorships at Taiwan Semiconductor Manufacturing Company Limited and serves as Chairman of Global Logic Inc. Sir Peter is Chair of Council and Senior Pro-Chancellor at Loughborough University, Chairman of the Board at East West Institute UK, Board Director at East West Institute USA and Board Mentor at CMI in Belgium. He is also Advisor to Longreach LLP in Hong Kong, Alix Partners UK LLP in London, G3 Good Governance Ltd in London and The Hampton Group in London.

*Item 3 (c): Proposal to re-appoint Mr. Johannes P. Huth as non-executive director (voting item)*

Johannes P. Huth (1960, German) has been appointed as a non-executive director and vice-chairman of our board of directors in August 2010. Prior to that, Mr. Huth was a member and chairman of our supervisory board and a member and vice-chairman of NXP B.V.'s supervisory board from September 29, 2006. Mr. Huth joined Kohlberg Kravis Roberts & Co. LLP in May 1999 and is a Member of KKR and Head of KKR's operations in Europe, the Middle East and Africa. He is also a member of the Firm's Management Committee and several of the Firm's Investment Committees. Prior to joining KKR, he was a member of the Management Committee of Investcorp and jointly responsible for Investcorp's operations in Europe. From 1986 to 1991, he worked at Salomon Brothers, where he was a Vice President in the Mergers and Acquisitions departments in London and New York. Mr. Huth currently is also member of the Supervisory Boards of GEG German Estate Group AG and of Airbus DS Electronics & Border Security GmbH, and member of the boards of SoftwareOne AG, Cognita Ltd. and of GfK SE. He is the Chairman of the Trustees of Impetus – Private Equity Foundation, a charitable organization set up by the Private Equity industry focused on providing support to charities involved with young people not in education, employment or training. He is Vice-Chair of the board of trustees of the Design Museum, trustee of the Stadel Museum in Frankfurt and trustee of The Education Endowment Foundation, and a member of the Global Advisory Board of the University of Chicago Booth School of Business. He is a Visiting Fellow of Oxford University and a Fellow of the Royal Society of Arts and member of the Conseil d'Administration of Les Arts Decoratifs in Paris. He earned a BSc with Highest Honors from the London School of Economics and an MBA from the University of Chicago.

*Item 3 (d): Proposal to re-appoint Mr. Kenneth A. Goldman as non-executive director (voting item)*

Kenneth A. Goldman (1949, American) has been appointed a non-executive director of our board of directors effective August 6, 2010. Mr. Goldman is former chief financial officer of Yahoo!, Inc. Prior to October 2012, Mr. Goldman served as senior vice president, finance and administration, and chief financial officer of Fortinet, Inc, a provider of unified threat management solutions, from September 2007 to September 2012. From November 2006 to August 2007, Mr. Goldman served as executive vice president and chief financial officer of Dexterra, Inc. From August 2000 until March 2006, Mr. Goldman served as senior vice president, finance and administration, and chief financial officer of Siebel Systems, Inc., and from December 1999 to December 2003, Mr. Goldman served on the Financial Accounting Standards Board's primary advisory group. Mr. Goldman currently serves on the board of directors of Trinet, GoPro, Inc., RingCentral, Inc. and several private companies. Mr. Goldman in 2015 was appointed to a three-year term on the Standards Advisory Group which



advises the PCAOB. Mr. Goldman was a member of board of trustees of Cornell University from 2005 to 2013 and was designated as Emeritus Trustee. He was formerly a member of the Treasury Advisory Committee on the Auditing Profession, a public committee that made recommendations in September 2008 to encourage a more sustainable auditing profession. Mr. Goldman holds a B.S. in Electrical Engineering from Cornell University and an M.B.A. from the Harvard Business School.

*Item 3 (e): Proposal to re-appoint Mr. Josef Kaeser as non-executive director (voting item)*

Josef Kaeser (1957, German) has been appointed as a non-executive director of our board of directors effective September 1, 2010. Mr. Kaeser is the president and chief executive officer of Siemens AG since August 2013. Prior to this, from May 2006 to August 2013, he was member of the managing board and chief financial officer of Siemens AG. From 2004 to 2006, Mr. Kaeser served as chief strategy officer for Siemens AG and as the chief financial officer for the mobile communications group from 2001 to 2004. Mr. Kaeser has additionally held various other positions within the Siemens group since he joined Siemens in 1980. Mr. Kaeser also serves on the managing board of Siemens AG and the board of directors of Siemens Ltd., India, Daimler AG and Allianz Deutschland AG.

*Item 3 (f): Proposal to re-appoint Mr. Eric Meurice as non-executive director (voting item)*

Eric Meurice (1956, France) has been appointed as a non-executive director of the Board of Directors effective April 1, 2014. Mr. Meurice was the CEO and Chairman of the management board of ASML Holding NV (The Netherlands), a leading provider of manufacturing equipment and technology to the semiconductor industry from 2004 to 2013. Under his watch, ASML became the largest Lithography vendor in the world, leading to a significant equity investment and funding commitment by its customers. Before joining ASML, he was Executive Vice President of Thomson Television, where he completed the merger of his division with TCL Corporation, one of the largest Chinese consumer electronics companies. Before 2001, he served as head of Dell Computers' Western, Eastern Europe and EMEA emerging market businesses. He gained extensive technology experience in the semiconductor industry between 1984 and 1994, first at Intel, in the micro-controller group, and then at ITT Semiconductors, a provider then of digital video and audio DSP integrated circuits. Mr. Meurice is an independent director of IPG Photonics, a US based Laser supplier, since June 2014 and of UMICORE, a Belgium based materials specialist, since April 2015. He served on the board of Verigy LTD (former HP test division), until its acquisition by Advantest in 2011. From July 1, 2013 to April 1, 2014 he was non-executive director of ARM Holdings plc (UK, semiconductor intellectual property supplier).

*Item 3 (g): Proposal to re-appoint Mr. Peter Smitham as non-executive director (voting item)*

Peter Smitham (1942, British) has been appointed as a non-executive director of our board of directors effective December 7, 2015. Mr. Smitham retired from his position as a partner of the private equity firm Permira on December 31, 2009, but until August 1, 2015, he was a member of Permira Advisers LLP, which he joined in 1985, the year the London office was founded. Mr. Smitham was the managing partner of the London office from 1994 until 1998 and led Permira's European business from 1996 until 2000. He has worked on numerous transactions focusing on technology, including Memec Group Holdings Limited, The Roxboro Group, Solartron Group and Technology plc. Until its merger with NXP, Mr. Smitham was a director of Freescale; he joined the Freescale board in June 2007 and has been a member of the Compensation and Leadership Committee and the Nominating and Corporate Governance Committee of the Freescale board. He



has a degree in Geography from Swansea University, Wales, and attended the Senior Executive Program at Stanford Business School.

*Item 3 (h): Proposal to re-appoint Ms. Julie Southern as non-executive director (voting item)*

Ms. Julie Southern (1959, British) has been appointed a non-executive director of our board of directors in October 2013. She was with Virgin Atlantic Limited (UK) from 2000 to May 2013. From 2010 to 2013 Ms. Southern was chief commercial officer and from 2000 to 2010 she was chief financial officer of Virgin Atlantic. Prior to joining Virgin Atlantic, she was group finance director at Porsche Cars Great Britain and finance and operations director at W H Smith – H J Chapman & Co Ltd. Prior to that, she was chartered accountant at Price Waterhouse Coopers. Ms. Southern currently holds non-executive directorships at Rentokil-Initial Plc, Cineworld PLC and DFS PLC and is Chair of the respective Audit Committees. At the same time, Ms. Southern is a non-executive director and Chair of the Remuneration Committee for Stagecoach Group plc.

*Item 3 (i): Proposal to re-appoint Mr. Gregory L. Summe as non-executive director (voting item)*

Gregory L. Summe (1956 American) has been appointed a non-executive director of our board of directors effective December 7, 2015, Mr. Summe is the Managing Partner of Glen Capital Partners, a Boston based hedge fund, which he founded in 2013. Mr. Summe was the managing director and vice chairman of Global Buyout at The Carlyle Group, a leading global private equity firm, from September 2009 to May 2014. Prior to joining Carlyle, he was the chairman and chief executive officer of PerkinElmer, Inc., a global leader in Health Sciences, a company he led from 1998 to May 2009. He also served as a senior advisor to Goldman Sachs Capital Partners, from 2008 to 2009. He was a director of Freescale Semiconductor from September 2010 until its merger with NXP in December 2015 and served as Chairman of the Freescale board since May 2014 and Chairman of the Compensation and Leadership Committee. Prior to PerkinElmer, Mr. Summe was with AlliedSignal, now Honeywell International, serving as the president of General Aviation Avionics, president of the Aerospace Engines Group and president of the Automotive Products Group. Before joining AlliedSignal, he was the general manager of Commercial Motors at General Electric and was a partner with the consulting firm of McKinsey & Company, Inc. Mr. Summe holds B.S. and M.S. degrees in electrical engineering from the University of Kentucky and the University of Cincinnati, and an M.B.A. with distinction from the Wharton School at the University of Pennsylvania. He is in the Engineering Hall of Distinction at the University of Kentucky. Mr. Summe also serves on the boards of directors of the State Street Corporation, where he is the chairman of the Nomination & Governance and Strategy committees. He also serves on the board of Ohana Biosciences, a biotech company. Mr. Summe previously served on the board of directors of Automatic Data Processing, Inc. (ADP), Biomet Inc., TRW Corp, Veyance Technologies, Inc., Export Trading Group Ltd, Euromax International Inc. and LMI Aerospace.

#### **4 Conditional appointments to the Board of Directors:**

Buyer and NXP have agreed that subject to and effective as of Closing, certain changes are to be made in the corporate governance structure of NXP. One of these changes concerns the composition of the Board of Directors, as also has been resolved upon in the 2017 EGM. The conditional appointments at the 2017 EGM were made for a term ending directly after the 2018 AGM. In view of



the extension of the purchase agreement between Buyer and the Company (as amended, the "**Purchase Agreement**") and the delayed Closing, it will be necessary to renew the conditional appointment of directors nominated by Buyer.

Upon Closing, the Board of Directors will consist of six members, including two independent members. In connection with the Offer, six persons identified by Buyer will be nominated for appointment as Board members.

In accordance with item 3. of this agenda, the appointment term of Mr. Richard L. Clemmer, Sir Peter Bonfield, Mr. Johannes P. Huth, Mr. Kenneth A. Goldman, Mr. Josef Kaeser, Mr. Eric Meurice, Mr. Peter Smitham, Ms. Julie Southern and Mr. Gregory Summe, will end upon the Closing.

Directors are appointed by the general meeting on a nomination of the Board of Directors. Buyer has suggested certain candidates for recommendation to the Board of Directors. The Board of Directors has adopted all these recommendations of Buyer.

Two nominated candidates (Mr. Rob ter Haar and Prof. Dr. Steven Perrick) will serve as the independent members of the Board of Directors (each an "**Independent Director**"). The Independent Directors will especially look after the interests of any minority shareholders and will resign from the Board of Directors in accordance with the Purchase Agreement upon the earliest of (i) such time that Buyer, after having accepted for payment the NXP shares validly tendered in accordance with the terms of the Offer and not properly withdrawn (such time of acceptance, the "**Acceptance Time**"), owns one hundred percent (100%) of the outstanding NXP shares, (ii) the Second Step Distribution (as defined in the Purchase Agreement) being paid in full and (iii) completion of the Second Step Transaction (as defined in the Schedule TO published by Buyer). The remuneration of the Independent Directors will be materially in line with NXP's past practice and remuneration policies, provided that it will not include any stock components as the delisting of the Company's shares is expected to take place as promptly as possible after Closing.

The Board of Directors has nominated the candidates named below for appointment as member of the Board of Directors for a term ending directly after the 2019 AGM. The nominations by the Board of Directors are made in accordance with article 14.4 of the articles of association of the Company. Each appointment proposed below will be subject to and conditional upon the occurrence of and effective as of Closing. The below nominations have been made taking into account the limitation of positions prescribed by section 2:132a of the Dutch Civil Code.

In case the Closing occurs prior to the date of this annual meeting of shareholders, the appointments of the currently nominated candidates Messrs. Mollenkopf, Davis, Rosenberg and Modoff are already effective as per the resolutions adopted at the 2017 EGM, for a term ending directly after this 2018 AGM. In view thereof, if the Closing occurs prior to the date of this annual meeting of shareholders, the proposed conditional appointments referred to under agenda items 4(a), 4(b), 4(c) and 4(d) will be deemed to be re-appointments until the 2019 AGM.

***Item 4 (a): Conditional appointment as of Closing of Mr. Steve Mollenkopf as executive director (voting item)***

Mr. Steve Mollenkopf is currently Chief Executive Officer of Qualcomm Incorporated and has held the following positions: Chief Executive Officer-elect and President from 2013 to March 2014 and President and Chief Operating Officer of Qualcomm Incorporated from November 2011 to December 2013. In addition, he served as Executive Vice President and Group President of Qualcomm





incorporated from September 2010 to November 2011, as Executive Vice President and President of Qualcomm CDMA Technologies ("QCT") from August 2008 to September 2010, as Executive Vice President, QCT Product Management from May 2008 to August 2008, as Senior Vice President, Engineering and Product Management from July 2006 to May 2008 and as Vice President, Engineering from April 2002 to July 2006. Mr. Steve Mollenkopf's insights and expertise in the global semiconductor industry and general management expertise will provide a valuable contribution to the Board of Directors.

Item 4 (b): Conditional appointment as of Closing of Mr. George S. Davis as non-executive director (voting item)

Mr. George S. Davis is currently Executive Vice President and Chief Financial Officer of Qualcomm Incorporated and has held the following positions: Chief Financial Officer of Applied Materials Inc from November 2006 to March 2013. In addition, Mr. George S. Davis held several other leadership positions at Applied Materials Inc. from November 1999 to November 2006. Prior to November 1999, Mr. George S. Davis served 19 years with Atlantic Richfield Company in a number of finance and other corporate positions. Mr. George S. Davis' insights and expertise in the global semiconductor industry and general management expertise will provide a valuable contribution to the Board of Directors.

Item 4 (c): Conditional appointment as of Closing of Mr. Donald J. Rosenberg as non-executive director (voting item)

Mr. Donald J. Rosenberg is currently Executive Vice President, General Counsel and Corporate Secretary of Qualcomm Incorporated and has held the following positions: Senior Vice President, General Counsel and Corporate Secretary of Apple Inc. from December 2006 to October 2007. In addition, Mr. Donald J. Rosenberg held numerous positions at IBM Corporation, including Senior Vice President and General Counsel. Mr. Donald J. Rosenberg has served as a member of the board of directors of NuVasive Inc. since February 2016. Mr. Donald J. Rosenberg's insights and expertise in the global semiconductor industry and general management expertise will provide a valuable contribution to the Board of Directors.

Item 4 (d): Conditional appointment as of Closing of Mr. Brian Modoff as non-executive director (voting item)

Mr. Brian Modoff is currently Executive Vice President, Strategy and Mergers & Acquisition of Qualcomm Incorporated and has held the following positions: Managing Director in Equity Research at Deutsche Bank Securities Inc. from March 1999 to October 2015. In addition, Mr. Brian Modoff was a research analyst at several financial institutions from November 1993 to March 1999. Mr. Brian Modoff's insights and expertise in the global semiconductor industry and general management expertise will provide a valuable contribution to the Board of Directors.



Item 4 (e): Conditional appointment as of Closing of Mr. Rob Ter Haar as non-executive director (voting item)

Mr. Rob ter Haar currently serves as a (supervisory) board member of several companies and foundations, including Mediq N.V. and VVAA Groep B.V. He was the chairman of the supervisory board of Unibail-Rodamco SE from 2007 to 2017 and supervisory board member of FrieslandCampina N.V. from 1999 to 2011. From 1999 to 2004 he was the CEO of the Dutch listed company Hagemeyer N.V. Mr. Rob ter Haar is envisaged to act as one of the Independent Directors and with a view to his background and experience in similar roles he will provide a valuable contribution to the Board of Directors.

Item 4 (f): Conditional appointment as of Closing of Prof. Dr. Steven Perrick as non-executive director (voting item)

Prof. Dr. Steven Perrick is a partner at the law firm Spinath & Wakkie B.V. since 2011. From 1999 to 2011 he was a partner at the international law firm Freshfields Bruckhaus Deringer LLP. In addition, he serves as a (supervisory) board member of several companies and foundations, including Koninklijke Brill N.V. and Stichting Preferente Aandelen ASML. Prof. Dr. Steven Perrick is a professor emeritus civil law at the University of Amsterdam and was a professor of securities regulations at the Erasmus University Rotterdam from 1988 to 2002. Prof. Dr. Steven Perrick is envisaged to act as one of the Independent Directors and with a view to his background and experience in similar roles he will provide a valuable contribution to the Board of Directors.

The Board of Directors intends to appoint Mr. Steve Mollenkopf as chief executive officer, subject to the appointment of Mr. Steve Mollenkopf as a member of the Board of Directors. The Board of Directors intends to appoint Mr. Donald J. Rosenberg as chairman of the Board of Directors, subject to the appointment of Mr. Donald J. Rosenberg as a member of the Board of Directors.

**5 Authorization of the Board of Directors to (i) issue shares or grant rights to acquire shares and (ii) restrict or exclude pre-emption rights**

The Board of Directors considers it in the best interest of the Company and its stakeholders for the Board of Directors to be able to react in a timely manner when strategic business opportunities arise that require the issuance of ordinary shares. For example, this designation has been used in the past in relation to the issuance of convertible bonds in 2014 and the granting of equity-based awards in accordance with employee participation plans or the Company's remuneration policy.

At the 2017 annual general meeting the Board of Directors was authorized to issue shares and to grant rights to acquire shares and to exclude pre-emptive rights in connection with such issue or grant of rights for a period of 18 months. It is proposed to renew this authorization for a new period of 18 months.



Item 5 (a): Proposal to authorize the Board of Directors for a period of 18 months, with effect from the 2018 AGM as the body that is authorized to issue ordinary shares and grant rights to acquire ordinary shares within the limits laid down in the articles of association (voting item).

In accordance with standard Dutch practice, it is proposed to grant an authorization to the Board of Directors to issue or grants rights to acquire a number of shares equal to 10% of the issued share capital which authorisation can be used for general purposes and an additional 10% if the ordinary shares are issued or rights are granted in connection with an acquisition, merger or (strategic) alliance.

Item 5 (b): Proposal to authorize the Board of Directors for a period of 18 months, effective with effect from the 2018 AGM as the body that is authorized, to restrict or exclude pre-emption rights accruing in connection with an issue of shares pursuant to the authorization referred to under proposal 5 (a) (voting item).

If less than 50% of the issued capital is represented, this proposal 5 (b) can only be adopted by a majority of at least two-thirds of the votes cast. If 50% or more of the issued capital is represented, a simple majority is sufficient to adopt this proposal.

## **6 Authorization of the Board of Directors to acquire ordinary shares in the Company (voting item)**

At the 2017 annual general meeting the Board of Directors was authorized to have the Company acquire ordinary shares in its own capital for a period of 18 months. It is proposed to renew this authorization for a new period of 18 months.

The purpose of the proposal is to create flexibility to return capital to the shareholders. Furthermore the authorization can be used to acquire ordinary shares to cover the Company's obligations related to share-based remuneration, such as those under the Long Term Incentive Plans, the Employee Stock Purchase Plan and any other employee stock incentive or purchase plan under which employees may acquire ordinary shares. Repurchased ordinary shares may also be used to cover other obligations of the Company to deliver ordinary shares.

It is proposed to authorize the Board of Directors for a period of 18 months, with effect from the 2018 AGM, to acquire ordinary shares, on NASDAQ or otherwise, at a price between EUR 0.01 and a price equal to 110% of the market price of the ordinary shares on NASDAQ; the market price being the average of the closing prices on the five trading days prior to the date of the acquisition.

The number of ordinary shares the Company may acquire and hold, will not exceed 10% of the issued share capital per the 2018 AGM. In case of repurchase for capital reduction purposes, the number of ordinary shares that the Company may acquire and hold will be increased with an additional 10% of such issued share capital. The higher maximum of ordinary shares that may be held is intended to allow the Board of Directors to execute such share repurchase programs in an efficient and expedited manner.



If these authorizations are granted, the existing authorizations as granted in 2017 will cease to apply as per the moment these authorizations take effect.

#### **7 Cancellation of ordinary shares**

It is proposed to the General Meeting to cancel any or all ordinary shares in the share capital of the Company held or repurchased by the Company under the authorization referred to under agenda item 6 resulting in a reduction of the Company's issued ordinary shares. The cancellation may be executed in one or more tranches. The number of shares that will be cancelled (whether or not in a tranche) will be determined by the Board of Directors, with a maximum equal to the number of shares that may be acquired pursuant to agenda item 6 (*voting item*).

Pursuant to the relevant statutory provisions, cancellation may not be effected earlier than two months after the resolution to cancel shares is adopted and publicly announced; this will apply for each tranche. The purpose of this proposal is cancellation of ordinary shares held by the Company or that have been acquired in accordance with the proposal under agenda item 6, to the extent that such ordinary shares shall not be used to cover obligations under share-based remuneration or other obligations.

#### **8 Re-appointment KPMG Accountants N.V. as external auditor of the Company (*voting item*)**

In 2015, KPMG Accountants N.V. was appointed as the Company's external auditor for a period of three years in accordance with the auditor's policy of the Company. The Board of Directors now proposes to the General Meeting to re-appoint KPMG Accountants N.V. as the Company's external auditor for the financial year 2018. In case the Closing does not occur in the course of 2018, the Board of Directors will make a new proposal for the appointment of the Company's external auditor for the financial year 2019 and further.