



**AGENDA AND EXPLANATORY NOTES
EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS
OF NXP SEMICONDUCTORS N.V.**

***To be held at High Tech Campus 60, Eindhoven 5656 AG, the Netherlands,
on January 27, 2017 at 1:30 pm CET***

This extraordinary general meeting ("EGM") of shareholders of NXP Semiconductors N.V. ("NXP") is convened in connection with the contemplated acquisition by Qualcomm River Holdings B.V. of NXP.

Capitalized terms used and not otherwise defined in this agenda will have the meaning as set out in the explanatory notes hereto.

AGENDA ITEMS

- 1 Opening**
- 2 Explanation of the recommended tender offer by Qualcomm River Holdings B.V., an indirect wholly owned subsidiary of Qualcomm Incorporated, to purchase all the outstanding common shares of NXP** *(discussion item)*
- 3 Changes to the Board:**
 - (a) Conditional appointment as per Closing of Mr. Steve Mollenkopf as executive director *(voting item)*
 - (b) Conditional appointment as per Closing of Mr. Derek K. Aberle as non-executive director *(voting item)*
 - (c) Conditional appointment as per Closing of Mr. George S. Davis as non-executive director *(voting item)*
 - (d) Conditional appointment as per Closing of Mr. Donald J. Rosenberg as non-executive director *(voting item)*
 - (e) Conditional appointment as per Closing of Mr. Brian Modoff as non-executive director *(voting item)*
- 4 Discharge**

Conditional granting of full and final discharge to each member of the Board for their acts of management or supervision, as applicable, up to the date of the EGM, effective as of the Acceptance Time *(voting item)*
- 5 Asset Sale and Second Step Transaction**
 - (a) Conditional approval of the Asset Sale as required under article 2:107a of the DCC *(voting item)*



- (b) Conditional resolution to (i) dissolve NXP (ii) appoint Stichting Vereffening NXP as the liquidator of NXP and (iii) appoint NXP B.V. as the custodian of the books and records of NXP (*voting item*)

6 Changes to the articles of association:

- (a) Conditional amendment of NXP's articles of association, subject to Closing (Proposal I) (*voting item*)
- (b) Conditional conversion of NXP into a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) and amendment of the articles of association, subject to delisting of NXP from NASDAQ (Proposal II) (*voting item*)

Except items 1 and 2, all items on the agenda are voting items. Each agenda item and sub-items thereof will be put to a vote separately.

Each of the foregoing discussion items and proposals is described in additional detail in the Explanatory Notes attached hereto.



EXPLANATORY NOTES TO THE AGENDA

1 Opening

Welcome and announcements.

2 Explanation of the recommended tender offer by Qualcomm River Holdings B.V., an indirect wholly owned subsidiary of Qualcomm Incorporated, to purchase all the outstanding common shares of NXP (*discussion item*)

On 27 October 2016, Qualcomm Incorporated ("**Parent**") and NXP Semiconductors N.V. ("**NXP**") announced a definitive purchase agreement under which Qualcomm River Holdings B.V., an indirect, wholly owned subsidiary of Parent ("**Buyer**"), will acquire NXP. Pursuant to the purchase agreement by and between Buyer and NXP (the "**Purchase Agreement**"), Buyer will commence a tender offer to acquire all of the outstanding common shares of NXP, par value €0.20 per share (the "**NXP Shares**"), at a price of \$110.00 per share, less any applicable withholding taxes and without interest, to the holders thereof, payable in cash (the "**Offer Price**"), (the "**Offer**").

During the extraordinary general meeting (the "**EGM**"), NXP will explain the terms of the Offer. For further information on the Offer we refer to Annex A to this agenda and explanatory notes (the "**Information Schedule**").

Information about the Offer can also be found in the Schedule TO and related exhibits prepared by Buyer and filed with the U.S. Securities and Exchange Commission (the "**SEC**") and the Schedule 14D-9 and related exhibits prepared by NXP and filed with the SEC (together, the "**Tender Offer Documents**"). The Tender Offer Documents are also published in the Investor Relations section of NXP's website (<http://investors.nxp.com>). Shareholders attending the EGM will be given the opportunity to give their views on the Offer.

The Board of Directors of NXP (the "**Board**") has extensively considered the Offer, the strategy for the combined entities following the Offer, the transactions contemplated thereby and the consequences for shareholders, employees and other stakeholders. Based on such careful consideration, the Board unanimously recommends to the shareholders to (i) accept the Offer and tender their shares into the Offer and (ii) vote in favour of all resolutions proposed for adoption in this EGM, including the Asset Sale and Second Step Transaction (Agenda item 5).

3 Changes to the Board

Buyer and NXP have agreed that effective at the time of payment for the number of NXP Shares validly tendered pursuant to the Offer and not properly withdrawn, by



Buyer ("**Closing**"), certain changes are to be made in the corporate governance structure of NXP. One of these changes concerns the composition of the Board. Upon Closing, the Board will consist of seven members (instead of the current twelve members), including two of the Company's existing independent members. In accordance with the Purchase Agreement, in connection with the Offer five persons identified by Buyer will be nominated for appointment as Board members.

Mr. Richard L. Clemmer, Mr. Johannes P. Huth, Mr. Kenneth A. Goldman, Dr. Marion Helmes, Mr. Joseph Kaeser, Mr. I. Loring, Mr. Eric Meurice, Mr. Peter Smitham, Mr. Gregory Summe and Dr. Rick Tsai, will voluntarily step down as members of the Board, effective upon the Closing. The other current members of the Board, Sir Peter Bonfield and Ms. Julie Southern, will remain on the Board as independent members of the Board (each an "**Independent Director**"). The Independent Directors will especially look after the interests of any minority shareholders and will resign from the Board 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 below) being paid in full and (iii) completion of the Second Step Transaction (as defined below).

Directors are appointed by the general meeting on a nomination of the Board. Buyer has suggested certain candidates for recommendation to the Board. The Board has adopted all these recommendations of Buyer. Pursuant to the articles of association, the nominations are binding. However, the general meeting may overrule the binding nomination by at least a two-thirds majority, provided such majority represents more than half of the issued share capital. If the nomination is not overruled, the proposed candidate shall be appointed. Each proposal for appointment will be put to vote separately.

It is proposed that the candidates named below be appointed for a term ending directly after the 2018 annual general meeting. 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 ("**DCC**").

(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 has served as a member of the board of General Electric Company since November 2016.

Mr. Steve Mollenkopf's insights and expertise in the global semiconductor industry and general management expertise will provide a valuable contribution to the Board.

(b) Conditional appointment as of Closing of Mr. Derek K. Aberle as non-executive director (voting item)

Mr. Derek K. Aberle, is currently President of Qualcomm Incorporated and has held the following positions: Executive Vice President and Group President of Qualcomm Incorporated from November 2011 to March 2014, President of Qualcomm Technology Licensing ("QTL") from September 2008 to November 2011 and as Senior Vice President and General Manager of QTL from October 2006 to September 2008. Prior to October 2006, Mr. Derek K. Aberle held positions ranging from Legal Counsel to Vice President and General Manager of QTL.

Mr. Derek K. Aberle's insights and expertise in the global semiconductor industry and general management expertise will provide a valuable contribution to the Board.

(c) 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 2006, 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.

(d) 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.

(e) 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.

The Board intends to appoint Mr. Steve Mollenkopf as chief executive officer, subject to the appointment of Mr. Steve Mollenkopf as a member of the Board. The Board intends to appoint Mr. Derek K. Aberle as chairman of the Board, subject to the appointment of Mr. Derek K. Aberle as a member of the Board.

Adoption of the voting items 3(a) up to and including 3(e) is, among other things (as explained in Annex A 'The Offer' attached hereto), a condition for Buyer's obligation to accept for purchase or pay for any NXP Shares tendered under the Offer (i.e. to proceed with settlement of the Offer).

4 Discharge

Conditional granting of full and final discharge to each member of the Board for their acts of management or supervision, as applicable, up to the date of the EGM, effective as of the Acceptance Time (voting item)

It is proposed that each of Mr. Richard L. Clemmer, Mr. Johannes P. Huth, Mr. Kenneth A. Goldman, Dr. Marion Helmes, Mr. Joseph Kaeser, Mr. I. Loring, Mr. Eric Meurice, Mr. Peter Smitham, Mr. Gregory Summe, Sir Peter Bonfield, Ms. Julie Southern and Dr. Rick Tsai, will be granted full and final discharge and released from liability in respect of their roles as members of the Board up to and including the date of the EGM, except for liability as a result of fraud, gross negligence or wilful misconduct. The discharge will be effective as of the Acceptance Time and granted for the performance of their duties, on the basis of the information provided to the



general meeting through the Tender Offer Documents, press releases and other publicly available information.

5 Asset Sale and Second Step Transaction

- (a) Conditional approval of the Asset Sale as required under article 2:107a of the DCC (voting item)

Buyer and NXP have agreed that as promptly as practicable following the closing of the subsequent offering period of the Offer, as it may be extended by an additional minority exit offering period in accordance with the Purchase Agreement, Buyer may effectuate a corporate reorganization of NXP and its subsidiaries. In connection therewith, Buyer and NXP have agreed that Buyer may require NXP to effectuate a sale of all of NXP's assets, including NXP's subsidiaries (and to the extent transferable, tax attributes) to, and the assumption of all liabilities of NXP by, Buyer or one or more of its designees (the "**Asset Sale**"), subject to the number of NXP Shares validly tendered in accordance with the terms of the Offer (including NXP Shares tendered during a subsequent offering period, as it may be extended by the minority exit offering period) and not properly withdrawn, together with the NXP Shares owned by Buyer or any of its Affiliates (the "**Acquired Shares**"), representing at least eighty percent (80%) of the then outstanding NXP Shares (the "**Asset Sale Threshold**").

The possibility to implement the Asset Sale and Second Step Transaction allows the Company to gain greater certainty on the completion of the Offer and its stakeholders realizing the overall benefits of the transactions contemplated thereby, as it lowers the Minimum Condition (as explained and defined in the Information Schedule) to 80%.

The Asset Sale requires the approval of the general meeting pursuant to article 2:107a of the DCC.

Reference is made to the Information Schedule for a further description of the Asset Sale.

The Board proposed to approve the Asset Sale as required under article 2:107a of the DCC. The resolution approving the Asset Sale is conditional upon and subject to (i) Buyer having accepted for payment the Acquired Shares and (ii) the number of Acquired Shares meeting the Asset Sale Threshold.

- (b) Conditional resolution to (i) dissolve NXP (ii) appoint Stichting Vereffening NXP as the liquidator of NXP and (iii) appoint NXP B.V. as the custodian of the books and records of NXP (voting item)



Buyer and NXP have agreed in the Purchase Agreement that if Buyer has determined to effectuate the Asset Sale, and following the closing of the subsequent offering period of the Offer (as it may be extended by the minority exit offering period) the number of Acquired Shares meets the Asset Sale Threshold, but represents less than ninety five percent (95%) of the then outstanding NXP Shares (the "**Compulsory Acquisition Threshold**"), then, upon completion of the Asset Sale, NXP shall be dissolved and liquidated (the "**Second Step Transaction**"), which shall result in the Second Step Distribution.

As soon as practically possible following the Second Step Transaction taking effect, the proceeds of the Asset Sale will be distributed by means of an advance liquidation distribution to the shareholders of NXP such that each holder of NXP Shares that were not tendered in the Offer shall receive cash in an amount equal to the consideration per share offered in the Offer multiplied by the number of NXP Shares then held by such shareholder, without interest and less any applicable withholding taxes (including Dutch dividend withholding tax (*dividendbelasting*)) ("**Second Step Distribution**").

Reference is made to the Information Schedule for a further description of the Second Step Transaction and the Second Step Distribution.

The Board proposes to: (i) dissolve NXP in accordance with section 2:19 of the DCC, (ii) appoint as liquidator the newly to be incorporated Stichting Vereffening NXP, a foundation organized under the laws of the Netherlands and (iii) appoint NXP B.V. as the custodian of the books and records of NXP in accordance with section 2:24 of the DCC. The appointment of Stichting Vereffening NXP as liquidator is without prejudice to the position of the non-executive directors Sir Peter Bonfield and Ms. Julie Southern as Independent Directors, whom fulfill, under Dutch law, a supervisory role and will resign upon the earliest of (i) such time after the Acceptance Time as Buyer owns one hundred percent (100%) of the outstanding NXP Shares, (ii) the Second Step Distribution being paid in full and (iii) completion of the Second Step Transaction.

This resolution is conditional upon and subject to (i) the Acceptance Time having occurred, (B) the number of Acquired Shares meeting the Asset Sale Threshold, but not meeting the Compulsory Acquisition Threshold, and (iii) the Asset Sale having been completed. The Board will determine the exact date and time as of which such conditions precedent have been fulfilled, pursuant to which the resolution to dissolve NXP shall become effective.



6 Changes to the articles of association

- (a) Conditional amendment of NXP's articles of association, subject to Closing (Proposal I) (voting item)

In relation to the Offer, NXP and Buyer have agreed that subject to Closing, NXP's articles of association will be amended to align the financial year of NXP with the financial year of Buyer.

The Board proposes to amend NXP's articles of association in accordance with Proposal I and to authorise each member of the Board, as well as each (deputy) civil law notary and paralegal employed by Allen & Overy LLP in Amsterdam, the Netherlands, to execute the notarial deed of amendment to the articles of association and to undertake all other activities that the holder of the power of attorney deems necessary or useful in connection therewith, which resolution is subject to Closing and effective the day immediately following the day of the Closing.

A draft of Proposal I, including explanatory notes and showing the changes made to the current Articles of Association, will be made available as a separate document and will be placed on NXP's website.

- (b) Conditional conversion of NXP and amendment of the articles of association, subject to delisting of NXP from NASDAQ (Proposal II) (voting item)

Buyer intends to convert NXP into a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) as soon as possible after the NXP Shares have been delisted from NASDAQ.

The Board proposes to resolve to convert NXP from a public limited liability company (*naamloze vennootschap met beperkte aansprakelijkheid*) to a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) and amend the articles of association in connection with this conversion and to authorise each member of the Board, as well as each (deputy) civil law notary and paralegal employed by Allen & Overy LLP in Amsterdam, the Netherlands, to execute the notarial deed of conversion and amendment to the articles of association and to undertake all other activities that the holder of the power of attorney deems necessary or useful in connection therewith, which resolution is subject to delisting of NXP from NASDAQ.

Proposal II reflects the new status of NXP as a non-listed private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*). A draft of Proposal II, including explanatory notes and showing the changes made to the articles of association after the amendment in accordance with Proposal I, will be made available as a separate document and will be placed on NXP's website.



Annex A - Information Schedule

1 OFFER

On October 27, 2016, Buyer and NXP announced that they had entered into the Purchase Agreement pursuant to which Buyer will make the Offer to purchase all NXP Shares.

The Purchase Agreement provides, among other things, that, subject to the terms and conditions set forth therein, Buyer will, make the Offer and accept for payment all NXP Shares validly tendered pursuant to the Offer and not properly withdrawn, promptly after the expiration of the Offer (but in any event within two business days thereafter), as the same may be extended pursuant to the Purchase Agreement and the occurrence of Closing, for the Offer Price.

Reference is made to the Tender Offer Documents for a further description of the Offer and the contemplated transactions.

The Offer is conditioned upon, among other things:

- (a) NXP Shares having been validly tendered in accordance with the terms of the Offer and not properly withdrawn (excluding NXP Shares tendered pursuant to guaranteed delivery procedures that have not yet been delivered in settlement or satisfaction of such guarantee prior to the expiration of the Offer), on or prior to 5:00 p.m. New York City Time on February 6, 2017, and if the EGM is cancelled and reconvened as permitted under the Purchase Agreement, then the Offer will expire 6 business days after the date of the reconvened meeting (such initial expiration date and time of the Offer, the “**Initial Expiration Time**” or, if the Offer has been extended pursuant to and in accordance with the Purchase Agreement, the date and time to which the Offer has been so extended (the Initial Expiration Time, or such later expiration date and time to which the Offer has been so extended, the “**Expiration Time**”), represent, together with the NXP Shares then owned by Buyer or its affiliates, at least 95% of the outstanding NXP Shares immediately prior to the Expiration Time (the “**Minimum Condition**”), provided that (i) if NXP’s shareholders approve the resolutions included in Agenda item 5 at the EGM, the Minimum Condition will be reduced to 80%, and (ii) Buyer, with NXP’s prior written consent (not to be unreasonably withheld, conditioned or delayed), can further reduce the Minimum Condition to a percentage not less than 70%;
- (b) (i) the expiration or termination of any applicable waiting period (and extensions thereof) applicable to the Offer and the other transactions contemplated by the Purchase Agreement under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and Council Regulation (EC) No. 139/2004 of the European Union, as amended, (ii) the receipt of all required clearances or approvals under other applicable regulatory or antitrust laws and (iii) that any such clearances or



- approvals shall not impose a condition or require a remedy that Buyer is not required to accept pursuant to the Purchase Agreement.
- (c) the absence of any law, regulation, order, or injunction entered, enacted, promulgated, enforced or issued by any court or other governmental authority of competent jurisdiction (i) prohibiting, rendering illegal or enjoining the consummation of the Offer or the other transactions contemplated by the Purchase Agreement or (ii) imposing a condition or requiring a remedy that Buyer is not required to accept pursuant to the Purchase Agreement;
 - (d) the adoption of resolutions at the EGM providing for the appointment of Buyer designees to the Board;
 - (e) there not having occurred a fact, change, event, development, occurrence or effect following the date of the Purchase Agreement that, individually or in the aggregate, would have or reasonably be expected to have a Company Material Adverse Effect (as defined in the Purchase Agreement); and
 - (f) the completion in all material respects of certain internal reorganization steps with respect to NXP and related dispositions.

Closing is not subject to a financing condition but is also subject to other conditions, which are described in more detail in the Tender Offer Documents.

2 POST-OFFER REORGANIZATION

The Purchase Agreement provides, among other things, that following Closing, Buyer may effectuate a corporate reorganization of NXP and its subsidiaries, being the Post-Offer Reorganization.

If Buyer acquires less than 95% but at least 80% of the then outstanding NXP Shares as of the closing of the subsequent offering period of the Offer (as it may be extended by the minority exit offering period), the Post-Offer Reorganization may be undertaken by means of the Asset Sale, followed promptly by the Second Step Transaction. If Buyer acquires 95% or more of the then outstanding NXP Shares as of the closing of the subsequent offering period of the Offer (as it may be extended by the minority exit offering period), the Post-Offer Reorganization may be undertaken by means of the Asset Sale and, upon the closing of such Asset Sale, the commencement of a compulsory acquisition by Buyer of the NXP shares from any remaining Company's minority shareholders in accordance with Section 2:92a or 2:201a of the DCC (the "**Compulsory Acquisition**").

The Asset Sale and the Second Step Transaction are subject to approval by NXP's shareholders at the EGM. Upon completion of the Asset Sale, if Buyer commences the Second Step Transaction, NXP will be dissolved in accordance with Section 2:19 of the DCC and all holders of NXP Shares who did not tender their NXP Shares in the Offer will receive, for each NXP Share then held, cash in an amount equal to the Offer Price (without interest and less any applicable withholding taxes (including Dutch dividend withholding tax (*dividendbelasting*))). If Buyer commences the Compulsory Acquisition, Buyer will request,



and it is expected that, all holders of NXP Shares who did not tender their NXP Shares in the Offer receive, for each NXP Share then held, cash in an amount equal the Offer Price (along with interest accruing at the Dutch statutory interest rate from the date that Buyer acquires 95% of the outstanding NXP Shares until the date on which payment is made pursuant to the Compulsory Acquisition), provided that such amount will be determined by the Enterprise Chamber of the Amsterdam Court of Appeals in its sole discretion.

It is expected that following Closing and the Post-Offer Reorganization, NXP will no longer be a publicly traded company and the listing of the NXP Shares on NASDAQ will be terminated and the NXP Shares will be deregistered under the Exchange Act, resulting in the cessation of NXP's reporting obligations with respect to the NXP Shares thereunder.

The Post-Offer Reorganization, including the Asset Sale and subsequent Second Step Transaction, is a process available to Buyer under Dutch law to ensure that Buyer becomes the owner of all of NXP's business operations from and after the consummation of the Post-Offer Reorganization. The Asset Sale and the Second Step Transaction will result in all holders of NXP Shares that were not tendered in the Offer or during the subsequent offering period (as it may be extended by the minority exit offering period) receiving for each NXP Share then held cash equal to the Offer Price, in each case, without interest and less applicable withholding taxes (including Dutch dividend withholding tax (*dividendbelasting*)).