

Co-operation Agreement

Relating to the takeover offer for the entire issued and to be issued share capital of
Dialog Semiconductor Plc

Dated 8 February 2021

RENESAS ELECTRONICS CORPORATION

and

DIALOG SEMICONDUCTOR PLC

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This Agreement is made on 8 February 2021 **between:**

- (1) **RENESAS ELECTRONICS CORPORATION**, a company incorporated in Japan whose registered office is at Toyosu Foresia, 3-2-24, Toyosu, Koto-ku, Tokyo 135-0061 (“**Offeror**”); and
- (2) **DIALOG SEMICONDUCTOR PLC**, a company incorporated in England and Wales whose registered office is at Tower Bridge House, St Katharine’s Way, London, E1W 1AA, United Kingdom (“**Target**”).

Whereas:

- (A) Offeror intends to announce a firm intention to make a recommended offer for acquisition of the entire issued and to be issued share capital of Target (the “**Acquisition**”) to be implemented by way of a Scheme or, if Offeror so elects in accordance with this Agreement and the Panel consents, by way of an Offer, on the terms and subject to the conditions set out in the Announcement.
- (B) The parties are entering into this Agreement to take certain steps to implement the Acquisition and wish to record their respective obligations relating to such matters.

It is agreed as follows:

1 Interpretation

In this Agreement, unless the context otherwise requires:

1.1 Definitions:

“**Acceptance Condition**” means the acceptance condition to any Offer;

“**Acquisition**” has the meaning given to it in Recital (A);

“**Act**” means the Companies Act 2006;

“**Agreed Switch**” has the meaning given to it in Clause 7 (*Switching to an Offer*);

“**Announcement**” means the announcement detailing the terms and conditions of the Acquisition to be made under Rule 2.7 of the Code in substantially the form set out in Schedule 2 (*Announcement*) to this Agreement;

“**Awards**” means outstanding options and awards granted under the Target Share Plans;

“**Business Day**” means any day which is not a Saturday, a Sunday or a public holiday in London or Tokyo;

“**Clean Team Agreement**” means any clean team agreement entered into between Offeror and Target in connection with the Acquisition;

“**Clearances**” means any approvals, consents, clearances, permissions, confirmations and waivers that are required to be obtained, all filings that are required to be made or Expedient, and all waiting periods that may need to have expired, from or under any of the laws, regulations or practices applied by any Regulatory Authority in connection with the implementation of the Acquisition; and any reference to any Regulatory Condition relating to Clearances having been “**satisfied**” shall be construed as meaning that the foregoing have been obtained or, where appropriate, made or expired in accordance with the relevant Regulatory Condition;

“**Code**” means the City Code on Takeovers and Mergers as from time to time amended and interpreted by the Panel;

“**Combined Group**” means the Offeror Group and the Target Group following completion of the Acquisition;

“**Competition Law**” means the Competition Act 1998, the Enterprise Act 2002, Articles 101 and 102 of the Treaty on the Functioning of the European Union, Council Regulation 1/2003/EC, Council Regulation 139/2004/EC and any other law or regulation in any jurisdiction relating to fair competition, anti-trust, monopolies, merger control or similar matters;

“**Conditions**” means:

- (i) for so long as the Acquisition is being implemented by means of the Scheme, the terms and conditions to the implementation of the Acquisition as set out in Appendix 1 to the Announcement; or
- (ii) if the Acquisition is implemented by means of Offer, the conditions referred to in (i) above, as amended by replacing the Scheme Conditions with the Acceptance Condition, and as may be further amended by agreement in writing between Offeror and Target and, where required, in either case, with the consent of the Panel;

“**Confidentiality Agreement**” means the confidentiality letter agreement between Offeror and Target in relation to the Acquisition dated 20 January 2021;

“**Confidentiality and Joint Defence Agreement**” means the confidentiality and joint defence agreement between Offeror and Target, together with outside counsel, dated 20 January 2021;

“**Court**” means the High Court of Justice in England and Wales;

“**Court Meeting**” means the meeting or meetings of the holders of Target Shares: (i) in issue on the date of the Scheme Document; or (ii) (if any) issued after the date of despatch of the Scheme Document but before the Voting Record Time, or any class or classes thereof (and any adjournment(s) or postponement(s) thereof) to be convened pursuant to section 896 of the Act for the purpose of considering, and, if thought fit, approving the Scheme, and any adjournment or postponement thereof;

“**Court Order**” means the order of the Court sanctioning the Scheme pursuant to section 899 of the Act;

“**Court Sanction Hearing Date**” means the date on which the Sanction Hearing takes place;

“**Effective Date**” means the date upon which:

- (i) the Scheme becomes effective in accordance with its terms; or
- (ii) if Offeror elects to implement the Acquisition by means of an Offer in accordance with the terms of this Agreement, the Offer becomes or is declared unconditional in all respects;

“**Excluded INCJ Entity**” means INCJ, Ltd (and any person who would not be acting in concert or deemed to be acting in concert with Offeror if INCJ, Ltd were not an associated company of, or otherwise acting in concert or deemed to be acting in concert with, the Offeror);

“Expedient” means, in the reasonable opinion of the Offeror, necessary due to a change in law, regulation, enforcement practice of any Regulatory Authority or otherwise and material in context of the Acquisition as a whole having regard to the requirements of the Code, having: (i) consulted in good faith and on a timely basis with Target; and (ii) reasonably considered comments from Target;

“General Meeting” means the general meeting (including any adjournment(s) or postponement(s) thereof) of Target Shareholders to be convened in connection with the Scheme for the purpose of considering, and if thought fit approving, the Target Resolutions;

“Group” means, in relation to any person, its subsidiaries, subsidiary undertakings, holding companies and parent undertakings and the subsidiaries and subsidiary undertakings of any such holding company or parent undertaking, and **“Offeror Group”** or **“Target Group”** shall be construed accordingly;

“Law” means any applicable statutes, common law, rules, ordinances, regulations, codes, orders, judgments, injunctions, writs, decrees, directives, governmental guidelines or interpretations having the force of law or bylaws, in each case of a Regulatory Authority;

“Long Stop Date” means January 21, 2022 (or such later date as Offeror and Target may, with the consent of the Panel, agree and, if required, the Court may allow);

“LTIP” means the Dialog Semiconductor PLC Long Term Incentive Plan 2015, incorporating the California addendum where applicable;

“Notice” has the meaning given in Clause 14 (*Notices*);

“Offer” means, if Offeror elects in accordance with this Agreement and the Panel consents, implementation of the Acquisition by way of a takeover offer (as that term is defined in Chapter 3 of Part 28 of the Act) by Offeror, or an affiliate thereof, to acquire the entire issued and to be issued share capital of Target including, where the context admits, any subsequent revision, variation, extension or renewal of such offer;

“Offer Document” means the document despatched to (amongst others) Target Shareholders under which any Offer would be made;

“Offer Price” means €67.50;

“Offeror Directors” means the directors of Offeror from time to time, and **“Offeror Director”** shall be construed accordingly;

“Offeror Information” means information relating to Offeror, the Group of Offeror, any member of the Offeror Group or any Offeror Director;

“Panel” means the Panel on Takeovers and Mergers;

“Performance Awards” means Awards granted under the LTIP that are subject to performance conditions;

“Regulatory Authority” means any central bank, ministry, governmental, quasi-governmental, supranational, statutory, regulatory or investigative body, agency or authority (including, but not limited to, any national or supranational anti-trust or merger control authority, any sectoral ministry or regulator and any foreign investment review body), national state, municipal or local government (including any subdivision, court, administrative agency or commission or other authority thereof), any entity owned or controlled by them, any private body exercising any regulatory, taxing, importing, foreign

investment or other authority, trade agency, association, institution or professional or environmental body in any jurisdiction (including, but not limited to, the Panel, the German Federal Financial Supervisory Authority (*BaFin*) and the European Commission) and any other regulatory authority (in each case) whose consent, or with whom a submission, filing or notification, is necessary or Expedient in order to satisfy the Regulatory Conditions;

“Regulatory Conditions” means the Conditions set out in paragraphs 2(a) to 2(k) (inclusive) of Part A of Appendix 1 to the Announcement;

“Regulatory Information Service” means DGAP, a service of EQS Group AG, or such other regulatory information service that is authorised, approved or otherwise permitted by the German Federal Financial Supervisory Authority (*BaFin*) from time to time;

“Remedies” means any conditions, measures, commitments, undertakings, remedies (including disposals, whether before or following completion of the Acquisition, and any pre-vestiture reorganisations) or assurance (financial or otherwise) offered or required in connection with the obtaining of any Clearances, and “Remedy” shall be construed accordingly;

“Sanction Hearing” means the hearing of the Court (and any adjournment(s) thereof) to sanction the Scheme pursuant to section 899 of the Act at which the Court Order is expected to be granted;

“Scheme” means the proposed scheme of arrangement under Part 26 of the Act between Target and Target Shareholders, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Target and Offeror, under which the Acquisition is proposed to be implemented;

“Scheme Conditions” means those conditions referred to in paragraph 1 of Part A of Appendix 1 to the Announcement;

“Scheme Document” means the circular to be sent (amongst others) to Target Shareholders setting out, among other things, the full terms and conditions of the Scheme and the notices convening the Court Meeting and the General Meeting, including any supplemental circular or document required by Law or any Regulatory Authority to be published in connection with such circular;

“Sensitive Information” means, in relation to each party, any commercially or competitively sensitive information in respect of each party’s Group and any personally sensitive data in respect of the shareholders, employees, directors or officers of the members of each party’s Group;

“Specific Regulatory Conditions” means the Conditions set out in paragraphs 2(a) to 2(i) (inclusive) of Part A of Appendix 1 to the Announcement;

“Target Board Recommendation Change” means:

- (i) if Target makes an announcement prior to the publication of the Scheme Document that:
 - (a) the Target Directors no longer intend to make the Target Board Recommendation or intend adversely to modify or qualify such recommendation;
 - (b) it will not convene the Court Meeting or the General Meeting; or

- (c) it intends not to publish the Scheme Document; or
- (ii) any failure to include the Target Board Recommendation in the Scheme Document; or
- (iii) any withdrawal, qualification or modification of the Target Board Recommendation in a manner adverse to the completion of the Acquisition; or
- (iv) at any time prior to the conclusion of the Court Meeting and the General Meeting, any failure to publicly reaffirm or re-issue the Target Board Recommendation within five Business Days of Offeror's reasonable request to do so; or
- (v) if, after the Scheme has been approved by Target Shareholders and/or the approval of the Target Resolutions at the General Meeting, the Target Directors announce that they will not implement the Scheme (other than in connection with an announcement of an Offer or revised offer by Offeror or one of its concert parties for Target) or a third party announces a firm intention under the Code to make an offer or revised offer (whether or not subject to the satisfaction or waiver of any pre-conditions) for the Target which is recommended by the Target Directors;

"Target Board Recommendation" means a unanimous and unqualified recommendation from the Target Directors (i) that Target Shareholders vote in favour of the Scheme at the Court Meeting and the Target Resolutions at the General Meeting, or (ii) if Offeror proceeds by way of an Offer in accordance with this Agreement and the Panel consents, to accept the Offer, as the case may be;

"Target Directors" means the directors of Target from time to time;

"Target EBT 1" means the trust known as the Employee Share Ownership Trust as constituted by a deed dated 4 October 1998 and as amended from time to time;

"Target EBT 2" means the trust known as the Dialog Employee Benefit (NO. 2) Trust as constituted by a deed dated 30 April 2012 and as amended from time to time;

"Target Group employee" means any employee of a company in the Target's Group;

"Target Information" means information relating to Target, any member of the Target Group and all other information in the Scheme Document that is not Offeror Information;

"Target Resolutions" means such shareholder resolutions of Target to be proposed at the General Meeting for the purposes of, amongst other things, approving and implementing the Scheme, certain amendments to the articles of association of Target, and such other matters as may be agreed between Target and Offeror as necessary or desirable for the purposes of implementing the Scheme;

"Target's Directors' Remuneration Policy" means the directors' remuneration policy approved by Target Shareholders from time to time;

"Target Shareholders" means the registered holders of Target Shares (from time to time);

"Target Shares" means the entire issued and to be issued ordinary share capital of Target;

"Target Share Plans" means the LTIP; the Dialog Semiconductor PLC Deferred Bonus Plan 2013 (the "DBP"); and the Dialog Semiconductor PLC Employee Share Plan 2013 (the "ESP"), incorporating California addenda where applicable;

"Tax Authority" means any taxing or other authority competent to impose any liability in

respect of taxation or responsible for the administration and/or collection of taxation or enforcement of any law in relation to taxation;

“Total Vesting Period” means either three or four years (as applicable) from the “award date” of the Award (as defined in the ESP rules) for Awards under the ESP, and three years from the “award date” of the Award (as defined in the relevant plan rules) for Awards under the LTIP and the DBP;

“VAT” means: (i) any value added tax imposed by the VAT Act 1994; (ii) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and (iii) any other tax of a similar nature, whether imposed in the United Kingdom or in a member state of the European Union in substitution for, or levied in addition to, such tax referred to in paragraphs (i) or (ii) above, or imposed elsewhere; and

“Voting Record Time” means the date specified in the Scheme Document by reference to which entitlement to vote at the Court Meeting shall be determined, expected to be 6.00 p.m. (London time) on the day which is two days prior to the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. (London time) on the day which is two days prior to the day of such adjourned meeting.

1.2 Announcement

Terms used but not defined expressly in this Agreement shall, unless the context otherwise requires, have the meaning given to them in the Announcement. In case of inconsistency, the definitions set out in this Agreement shall take precedence.

1.3 Clauses, Schedules

References to this Agreement shall include any Recitals and Schedules to it and references to Clauses and Schedules are to clauses of, and schedules to, this Agreement. References to paragraphs and Parts are to paragraphs and Parts of the Schedules.

1.4 Singular, plural, gender

References to one gender include all genders and references to the singular include the plural and vice versa.

1.5 References to persons and companies

References to:

1.5.1 a person include any company, partnership or unincorporated association (whether or not having separate legal personality); and

1.5.2 a company shall include any company, corporation or any body corporate, wherever incorporated.

1.6 References to subsidiaries and holding companies

References to a “**company**” shall be construed so as to include any company, corporation or other body corporate, wherever and however incorporated or established. The words “**holding company**”, “**parent undertaking**”, “**subsidiary**” and “**subsidiary undertaking**” shall have the same meaning in this Agreement as their respective definitions in the Act, as applicable.

1.7 The Code

When used in this Agreement, the expressions “**acting in concert**”, “**concert parties**”, “**control**” and “**offer**” shall be construed in accordance with the Code.

1.8 Modification of Statutes

References to a statute or statutory provision include:

- 1.8.1 that statute or provision as from time to time modified, re-enacted or consolidated whether before or after the date of this Agreement;
- 1.8.2 any past statute or statutory provision (as from time to time modified, re-enacted or consolidated) which that statute or provision has directly or indirectly replaced; and
- 1.8.3 any subordinate legislation made from time to time under that statute or statutory provision.

1.9 Time of Day

References to times of day are to London time, unless otherwise stated.

1.10 Amendments

A reference to any other document referred to in this Agreement is a reference to that other document as amended, revised, varied, novated or supplemented at any time.

1.11 Headings

Headings shall be ignored in construing this Agreement.

1.12 Information

References to books, records or other information mean books, records or other information in any form including paper, electronically stored data, magnetic media, film and microfilm.

1.13 Legal Terms

References to any English legal term shall, in respect of any jurisdiction other than England, be construed as references to the term or concept which most nearly corresponds to it in that jurisdiction.

1.14 Non-limiting effect of words

The words “**including**”, “**include**”, “**in particular**” and words of similar effect shall not be deemed to limit the general effect of the words that precede them.

1.15 Meaning of “to the extent that” and similar expressions

In this Agreement, “**to the extent that**” shall mean “**to the extent that**” and not solely “**if**”, and similar expressions shall be construed in the same way.

2 Effective Date and Terms of the Acquisition

2.1 Effective Date

The obligations of the parties under this Agreement, other than Clause 1 (*Interpretation*), this Clause 2.1 and Clauses 10 (*Termination*) to 26 (*Appointment of Process Agent*) (inclusive), shall be conditional on the release of the Announcement via a Regulatory Information Service at or before 8.00 a.m. (London time) on 8 February 2021, or such other date and time as may be agreed by Offeror and Target. Clause 1, this Clause 2.1 and Clauses 10

(Termination) to 26 (Appointment of Process Agent) (inclusive) shall take effect on and from the date of this Agreement.

2.2 Terms of the Acquisition

2.2.1 The principal terms of the Acquisition shall be as set out in the Announcement, together with such other terms as may be agreed between the parties in writing (save in the case of an improvement to the terms of the Acquisition, which shall be at the sole discretion of the Offeror) and, where required by the Code, approved by the Panel.

2.2.2 The terms of the Acquisition at the date of posting of the Scheme Document shall be set out in the Scheme Document. Should Offeror elect to implement the Acquisition by way of an Offer in accordance with Clause 7 (*Switching to an Offer*), the terms of the Acquisition shall be set out in the announcement of the switch to an Offer and in the Offer Document and in any form of acceptance.

3 Undertakings in relation to Regulatory Conditions

3.1 Offeror's Regulatory Conditions Strategy

Except where otherwise required by Law or a Regulatory Authority:

3.1.1 Offeror shall determine, having consulted in good faith and on a timely basis with Target, and reasonably considering comments from Target, the strategy to be pursued for satisfying the Regulatory Conditions; and

3.1.2 Offeror shall contact and correspond with any Regulatory Authority in relation to any Clearances sought by Offeror in respect of the Acquisition in accordance with this Agreement, other than any Clearances for which Target alone is required by Law or a Regulatory Authority to apply (in which case Target shall be responsible for contacting and corresponding with the Relevant Authorities in respect of such Clearances), including submitting and preparing, with the assistance of Target in accordance with this Agreement, all necessary filings, notifications and submissions.

3.2 Target co-operation with Regulatory Conditions

Target undertakes to co-operate reasonably and in a timely manner with Offeror to ensure the satisfaction of the Regulatory Conditions and to assist Offeror in communicating with any Regulatory Authority for the purposes of obtaining all Clearances relating thereto, including providing Offeror with any information or documents and other assistance and access as may be reasonably requested and necessary for the purpose of making any submission, filing or notification to any relevant Regulatory Authority in relation to the Regulatory Conditions as soon as practicable, provided that nothing in this Clause 3 (*Undertakings in relation to Regulatory Conditions*) shall require the directors of Target to:

3.2.1 maintain their recommendation of the Acquisition;

3.2.2 adjourn, postpone or seek to adjourn or postpone (or refrain from adjourning or postponing or seeking to adjourn or postpone) any shareholder meeting or court hearing which has been or will be convened in relation to the Acquisition; or

3.2.3 (without prejudice to any other obligation Target has under this Agreement) require Target to make any change (or refrain from making any change) to the timetable for implementing the Acquisition.

3.3 Offeror undertaking to satisfy all Regulatory Conditions

Offeror shall use, and shall procure that each member of its Group and any person acting in concert or deemed to be acting in concert with Offeror shall use:

3.3.1 best endeavours to achieve and otherwise satisfy the terms and conditions to the implementation of the Acquisition as set out in paragraphs 2(a), 2(f) and 2(h) of Part A of Appendix 1 to the Announcement; and

3.3.2 best endeavours to achieve and otherwise satisfy all other Regulatory Conditions, provided that (without prejudice to any determination by the Panel to the contrary), Offeror shall not for these purposes be required to accept any Remedies that would reasonably be considered to: (i) materially limit, or materially delay, its ability to own, control and operate Target in a way that materially and adversely affects the business of the Target Group; (ii) materially limit, or materially delay, its ability to integrate Target into the Offeror Group in a way that materially and adversely affects the business of the Target Group; or (iii) otherwise materially and adversely affect the business of the Offeror Group (as enlarged by the Acquisition) taken as a whole,

in each case as promptly as reasonably practicable (and, in any event, in sufficient time so as to enable the Effective Date to occur prior to the Long Stop Date). The parties agree that Offeror shall not be in breach of its obligations under this Clause 3.3 to the extent that any such breach is caused by Target's failure to comply with its obligations under Clause 3.6.

3.4 Making of required filings to Regulatory Authorities

Each party shall, and shall procure that each member of its Group and any person acting in concert or deemed to be acting in concert with such party shall, only make filings, notifications or submissions to a Regulatory Authority that are (i) required in order to satisfy a Specific Regulatory Condition, or, (ii) in the case of Offeror only, Expedient; or (iii) could, if not made, result in any criminal or regulatory sanctions for any member of the Offeror Group or the Target Group, or their respective directors or officers, in order to complete the transactions contemplated by this Agreement.

3.5 Offeror co-operation with Target

Without prejudice to Clause 3.3, Offeror undertakes to work co-operatively and reasonably with Target and its advisers to satisfy the Regulatory Conditions and, if and to the extent permitted by Law, in particular to (if and to the extent that such steps have not already been taken prior to the date hereof):

3.5.1 where reasonably requested by Target:

- (a) provide Target (or its advisers) with draft copies of all material filings, notifications, submissions and written communications to be made to any Regulatory Authority by or on behalf of Offeror in relation to obtaining any Clearance, at such time as will allow Target a reasonable opportunity to provide comments on such filings, notifications, submissions and communications before they are submitted or sent;
- (b) consider such comments made by Target as are reasonable on such material filings, notifications, submissions and communications;
- (c) provide Target (or its advisers) with copies of all material filings, notifications, submissions and communications in the form submitted or sent to any

Regulatory Authority by or on behalf of Offeror in relation to obtaining any Clearance; and

(d) unless the relevant Regulatory Authority stipulates or requires otherwise or confidentiality considerations require otherwise, give Target reasonable prior notice of, and reasonably consider requests to allow persons nominated by Target to attend, all meetings and/or material telephone calls relating to Target Information with any Regulatory Authority in connection with the obtaining of all requisite Clearances and the implementation of the Acquisition and reasonably consider requests to make reasonable oral submissions during such meetings and/or telephone calls;

3.5.2 make as promptly as reasonably practicable any filings with any Regulatory Authority in connection with the Regulatory Conditions and any other filing as agreed between the parties as necessary or Expedient for the implementation of the Acquisition;

3.5.3 keep Target informed as soon as is reasonably practicable of developments which are material or potentially material to the obtaining of any Clearances and/or the satisfaction of the Regulatory Conditions;

3.5.4 notify Target promptly of and provide copies of any material communications (or, in the case of non-written material communications, reasonable details of the contents of any such material communications) from any Regulatory Authority in relation to obtaining any Clearances;

3.5.5 use, and procure that each member of its Group and any person acting in concert or deemed to be acting in concert with it shall use, best endeavours to avoid: (i) any declaration of incompleteness by any Regulatory Authority; and (ii) any suspension of review period by a Regulatory Authority; and

3.5.6 not, and procure that each member of its Group and any person acting in concert or deemed to be acting in concert with it shall not, withdraw a filing, submission or notification to any Regulatory Authority, or enter into any timing agreement, understanding or commitment with any Regulatory Authority to extend any waiting period or not close the Acquisition, without Target's prior written consent.

3.6 Submissions to Regulatory Authorities by Target

Target undertakes to:

3.6.1 provide Offeror (or its advisers) with draft copies of all material filings, notifications, submissions and communications to be made to any Regulatory Authority by or on behalf of Target or any member of its Group in relation to obtaining any Clearance, at such time as will allow Offeror a reasonable opportunity to provide comments on such filings, notifications, submissions and communications before they are submitted or sent;

3.6.2 consider such comments made by Offeror as are reasonable on such material filings, notifications, submissions and communications;

3.6.3 where reasonable, make the Target Group's representatives available for meetings and material telephone calls requested by any Regulatory Authority in connection with the obtaining of all requisite Clearances and the implementation of the Acquisition;

- 3.6.4 provide Offeror (or its advisers) with copies of all material, filings, notifications, submissions and communications in the form submitted or sent to any Regulatory Authority by or on behalf of Target in relation to obtaining any Clearance;
- 3.6.5 unless the relevant Regulatory Authority stipulates or requires otherwise or confidentiality considerations require otherwise, give Offeror reasonable prior notice of, and reasonably consider requests to allow persons nominated by Offeror to attend, all meetings and/or material telephone calls relating to Offeror Information with any Regulatory Authority in connection with the obtaining of all requisite Clearances and the implementation of the Acquisition and reasonably consider requests to make reasonable oral submissions during such meetings and/or telephone calls;
- 3.6.6 keep Offeror informed as soon as is reasonably practicable of developments which are material or potentially material to the obtaining of any Clearances and/or the satisfaction of the Regulatory Conditions; and
- 3.6.7 notify Offeror promptly of and provide copies of any material communications (or, in the case of non-written material communications, reasonable details of the contents of any such material communications) from any Regulatory Authority in relation to obtaining any Clearances.

3.7 Filing fees and charges

Offeror shall be responsible for paying any filing, administrative or other merger notice fees, costs (other than professional costs) and expenses incurred in connection with obtaining any Clearances, unless such fees and expenses are payable by Target as specified by applicable local Law in which case Offeror shall, on demand, promptly reimburse Target for such fees and expenses.

3.8 Offeror actions which could prevent or delay satisfaction of the Regulatory Conditions

Offeror undertakes to Target that, until the Regulatory Conditions are satisfied:

- 3.8.1 it shall not (and shall procure that each member of its Group, person, except for the Excluded INCJ Entity, acting in concert or deemed to be acting in concert with it shall not) take, or omit to take, or permit or cause to be taken or omitted to be taken, any action, or enter into an agreement for, or consummate, any acquisition or other transaction which would, or would be reasonably likely to, have the effect of preventing or materially delaying satisfaction of the Regulatory Conditions; and
- 3.8.2 it shall, in each case to the extent permitted by applicable Law and any applicable obligations of confidentiality, inform Target promptly in the event that it becomes aware of any member of its Group (or any person, except for the Excluded INCJ Entity, acting in concert or deemed to be acting in concert with it) entering into an agreement for, or consummating, any acquisition or other transaction which would, or would reasonably be expected to, have the effect of preventing or materially delaying satisfaction of the Regulatory Conditions.

4 Target Documentation

- 4.1 If the Acquisition is being implemented by means of the Scheme, Offeror agrees:

- 4.1.1 to provide as soon as reasonably practicable to Target and/or its legal adviser all such information about itself, its Group and its directors as may be reasonably requested and which is required by Target (having regard to the Code and applicable regulations) for the purpose of inclusion in the Scheme Document (including all information that would be required under the Code or applicable regulations);
 - 4.1.2 to provide all other assistance which may be reasonably required for the preparation of the Scheme Document including access to, and ensuring that reasonable assistance is provided by, its relevant professional advisers;
 - 4.1.3 to procure that its directors accept responsibility for all information in the Scheme Document relating to the Offeror, its Group and its directors or for which its directors are required to accept responsibility under the Code and any other applicable Law; and
 - 4.1.4 that, if any supplemental circular or document is required to be published in connection with the Scheme or, subject to the prior written consent of Offeror, any variation or amendment to the Scheme, it shall as soon as reasonably practicable provide such co-operation and information necessary to comply with all regulatory provisions as Target may reasonably request in order to finalise such document.
- 4.2 Without prejudice to Clause 8.3, Offeror shall allow Target reasonable opportunity to provide comments on any announcement or communication to Target shareholders, employees, optionholders, or trustees of Target's pension scheme in connection with the Acquisition and shall take into account Target's reasonable comments on such announcement or communication.

5 Qualifications

- 5.1 Nothing in Clauses 3 (*Undertakings in relation to Regulatory Conditions*) and 4 (*Target Documentation*) shall require any party (the “**disclosing party**”) to provide or disclose to the other party any information:
- 5.1.1 which the disclosing party (acting reasonably) considers to be commercially or competitively sensitive or confidential information related to its business and/or any member of its Group, and which is not relevant to the Acquisition or any Clearance;
 - 5.1.2 that is personally identifiable information of a director, officer or employee of the disclosing party or any member of its Group, unless that information can be reasonably anonymised (in which case the disclosing party shall provide the relevant information on an anonymous basis);
 - 5.1.3 which the disclosing party is prohibited from disclosing by Law or a Regulatory Authority;
 - 5.1.4 where such disclosure would result in the loss of any privilege that subsists in relation to such information (including but not limited to legal advice privilege); or
 - 5.1.5 in circumstances that would result in that party being in breach of a material contractual obligation,
- (the “**restricted information**”).

5.2 Without prejudice to any other obligation of each party set out in Clauses 3.3 and 3.5 (in the case of Offeror) and 3.6 (in the case of Target), but subject always to each party's obligations pursuant to Clause 3 (*Undertakings in relation to Regulatory Conditions*):

5.2.1 Clause 3.5.1(d) (in the case of Offeror) and Clause 3.6.5 (in the case of Target) shall not require either party to permit the other party or its advisers to attend any part of a contemplated meeting or substantive call with any Relevant Authority during which either party determines (acting reasonably and in good faith) that Sensitive Information would be disclosed; and

5.2.2 each party may redact restricted information from any documents shared with the other party and/or take reasonable steps to procure that restricted information is not shared with the other party, including, where relevant,

- (a) providing restricted information to the other party's legal counsel on an "external counsel only" basis in accordance with the requirements of Practice Statement No. 30 published by the Panel;
- (b) pursuant to additional procedures agreed between Offeror and Target to ensure compliance with Competition Law; or
- (c) where disclosure to the other party would reasonably be expected to have a material adverse effect on the disclosing party's legitimate business interest, providing directly to a Regulatory Authority (with a non-confidential version of any relevant filing, submission or communication being provided to the other party).

6 Implementation

6.1 Where the Transaction is implemented by way of the Scheme:

6.1.1 Offeror undertakes that, by no later than 11.59pm (London time) on the day immediately preceding the date appointed for the Scheme Hearing, it shall deliver a notice in writing to the Target either:

- (a) confirming the satisfaction or waiver of all Conditions (other than the Scheme Conditions); or
- (b) confirming its intention (if permitted by the Panel) to invoke one or more Conditions and providing reasonable details of the event which has occurred, or circumstances which have arisen, which the Offeror reasonably considers entitles it to invoke such Condition or treat it as unsatisfied or incapable of satisfaction and the reasons why it considers such event or circumstance sufficiently material for the Panel to permit the Offeror to withdraw or lapse the Scheme;

6.1.2 provided that Offeror has confirmed the satisfaction or waiver of all Conditions (other than the Scheme conditions) in accordance with Clause 6.1.1(a), Offeror shall not object to, and shall cooperate in relation to, Target taking all necessary steps to procure that the Sanction Hearing is duly held as soon as reasonably practicable thereafter (having regard to the proposed timetable agreed between the parties and included in the Scheme Document or in any subsequent agreed announcement regarding the implementation of the Acquisition); and

6.1.3 Offeror shall instruct counsel to appear on its behalf at the Sanction Hearing to confirm the satisfaction or waiver of all Conditions (other than the Scheme Conditions) and to undertake to the Court to be bound by and consent to the terms of the Scheme in so far as it relates to Offeror.

6.2 If Offeror is aware of any fact, matter or circumstance that it reasonably considers would allow any of the Conditions to be invoked (and the Panel might permit to be invoked), Offeror shall inform Target as soon as reasonably practicable.

6.3 Without prejudice to any other provision of this Agreement, Offeror undertakes to Target that it shall reasonably cooperate with Target for the purposes of enabling the approval or implementation of the Acquisition in accordance, and subject to the terms and conditions (including the Conditions) of, the Announcement.

7 Switching to an Offer

7.1 Offeror reserves the right, as set out in the Announcement, and, subject to the consent of the Panel, to elect at any time to implement the Acquisition by way of an Offer, whether or not the Scheme Document has been published, provided that (i) the Offer is made in accordance with the terms and conditions set out in the Announcement (with any modifications or amendments to such terms and conditions as may be required by the Panel or which are necessary as a result of a switch from the Scheme to the Offer) and (ii) that Target provides its prior written consent (an “**Agreed Switch**”).

7.2 In the event of an Agreed Switch, Offeror shall:

7.2.1 prepare the Offer Document and shall consult Target in relation to the preparation thereof;

7.2.2 submit, or procure the submission of, drafts and revised drafts of the Offer Document to Target for review and comment and, consider in good faith any reasonable comments provided by the Target for the purposes of preparing revised drafts;

7.2.3 seek Target’s approval of the contents of the information on Target contained in the Offer Document before it is published, and afford Target sufficient time to consider such documents, in order to give its approval (such approval not to be unreasonably conditioned, withheld or delayed); and

7.2.4 keep Target informed, on a regular and confidential basis, and, in any event, on the next Business Day following receipt of a written request from Target, of the number of Target Shareholders that have validly returned their acceptance or withdrawal forms or incorrectly completed their acceptance or withdrawal forms, the identity of such shareholders and the number of Target Shares to which such forms relate.

7.3 The parties agree that in the case of an Agreed Switch, save as set out in this Clause 7 (*Switching to an Offer*), all the provisions of this Agreement relating to the Scheme and the Scheme Document and its implementation shall apply to the Offer, the Offer Document and its implementation *mutatis mutandis*.

8 Share Plans and Employee Related Matters

8.1 The parties agree that the provisions of Part A Schedule 1 (*Share Plans and Employee Matters*) shall apply in connection with the implementation of the Acquisition in respect of Target Share Plans.

- 8.2** The parties agree that the provisions of Part B Schedule 1 (*Share Plans and Employee Matters*) shall apply in connection with the implementation of the Acquisition in respect of certain employee matters.
- 8.3** Target shall determine the strategy for communicating the provisions of Schedule 1 (*Share Plans and Employee Matters*), in respect of Target Share Plans and other employee related matters, to the employees of Target. Target shall consult Offeror in relation to such strategy for communicating the provisions of Schedule 1 (*Share Plans and Employee Matters*), provided that there has not been a Target Board Recommendation Change.
- 8.4** The parties agree that if the Acquisition is implemented by way of the Scheme, the timetable for its implementation shall be fixed so as to enable options and awards under Target Share Plans which provide for exercise and/or vesting on the Court Sanction Hearing Date to be exercised or vest in sufficient time to enable the resulting Target Shares to be bound by the Scheme on the same terms as Target Shares held by Target Shareholders.

9 D&O Insurance

- 9.1** To the extent permitted by applicable Law, for six years after the Effective Date, Offeror undertakes in favour of Target and in favour of each of the directors, officers and employees of Target and each of its subsidiary undertakings as at and prior to the date of this Agreement to procure that the members of the Target Group shall honour and fulfil all their respective obligations (if any) existing at the date of this Agreement regarding exclusion or limitation of liability of directors, indemnification of officers, directors and officers insurance and directors and employees and advancement of expenses with respect to matters existing or occurring at or prior to the Effective Date.
- 9.2** Offeror acknowledges that, prior to the Effective Date, Target may purchase directors and officers insurance for both current and former directors of the Target Group, including without limitation directors of Target at the date hereof who retire or whose employment is terminated on or prior to the Effective Date in connection with the Acquisition, for acts and omissions up to and including the Effective Date, in the form of run off cover for a period of six years following the Effective Date (the “**Run Off Cover**”). The Run Off Cover shall be with reputable insurers, for an aggregate limit commensurate with Target Group’s existing policies and provide cover at least as broad in its scope as that provided under Target Group’s directors and officers insurance as at the date of this Agreement and Target shall maintain the Run Off Cover for the period required under this 9.2. To the extent that Run Off Cover has not been purchased by Target prior to the Effective Date, Offeror shall procure that Target purchases such Run Off Cover.
- 9.3** Each of the directors, officers and employees of the Target Group to which Clause 9.1 and/or Clause 9.2 applies shall have the right, pursuant to the Contracts (Rights of Third Parties) Act 1999, to enforce their rights against Offeror or any of its successors or assigns under such provision.

10 Termination

- 10.1** Subject to Clause 10.2 and 10.3, this Agreement shall be terminated with immediate effect and all rights and obligations of either party under this Agreement shall cease as follows:
- 10.1.1** if agreed in writing between the parties at any time prior to the Effective Date;

- 10.1.2** if the Announcement is not released at or before 8.00 a.m. (London time) on 8 February 2021 (unless, prior to that time, the parties have agreed another time and date in accordance with Clause 2 (*Effective Date*) in which case the later time and date shall apply for the purposes of this Clause 10.1.2);
- 10.1.3** upon service of written notice by either party to the other party if one or more of the following occurs:
- (a) a Target Board Recommendation Change occurs;
 - (b) prior to the Long Stop Date, any Condition has been invoked by Offeror (where the invocation of the relevant Condition has been specifically permitted by the Panel);
 - (c) prior to the Long Stop Date, a third party announces an offer or revised offer for Target which completes, becomes effective or is declared or becomes unconditional in all respects; or
 - (d) if the Acquisition (whether implemented by way of the Scheme or the Offer) lapses, terminates or is withdrawn in accordance with its terms on or prior to the Long Stop Date and, where required, with the consent of the Panel (other than where such lapse or withdrawal: (a) is as a result of an Agreed Switch; or (b) it is otherwise to be followed within five Business Days (or such other period as the parties may agree) by an announcement under Rule 2.7 of the Code made by Offeror or a person acting in concert with Offeror to implement the Acquisition by a different offer or scheme on substantially the same or improved terms and which is (or intended to be) recommended by Target Directors); or
 - (e) unless otherwise agreed by the parties in writing or required by the Panel, if the Effective Date has not occurred on or before the Long Stop Date.

10.2 Termination of this Agreement shall be without prejudice to the rights of either party that may have arisen prior to termination.

10.3 The whole of this Clause 10 (*Termination*), Clause 8 (*Share Plans and Employee Related Matters*), Clause 9 (*D&O Insurance*) (but only in circumstances where this Agreement is terminated on or after the Effective Date or the date of the Offer becoming or being declared unconditional in all respects, as the case may be), Clauses 11 (*Representations and Warranties*) to 26 (*Appointment of Process Agent*) (inclusive) and Schedule 1 (*Share Plans and Employee Matters*) shall survive termination of this Agreement.

11 Representations and Warranties

11.1 Each of the parties represents and warrants to the other on the date hereof that:

- 11.1.1** it has the requisite power and authority to enter into and perform this Agreement;
- 11.1.2** this Agreement constitutes its legal, valid and binding obligations in accordance with its terms;
- 11.1.3** the execution and delivery of, and performance of its obligations under, this Agreement shall not:
 - (a) result in a breach of any provision of its constitutional documents; or

- (b) result in a breach of any order, judgment or decree of any court or governmental agency to which it is a party or by which it is bound.

11.2 Offeror represents and warrants to Target on the date hereof that:

11.2.1 it has the requisite power and authority to enter into and implement the Acquisition on the terms and subject to the conditions set out in the Announcement; and

11.2.2 no shareholder resolution (or similar) of Offeror is required to enter into and implement the Acquisition.

11.3 Both parties acknowledge and agree, each on its own behalf and, in the case of Offeror, on behalf of the Offeror Group, and, in the case of Target, on behalf of the Target Group, that any information and/or assistance provided to such party (the “**Receiving Party**”) (and/or any member of its Group or any of its respective directors, officers, employees or advisers) by any directors, officers, employees or advisers (each a “**Representative**”) of the other party (the “**Disclosing Party**”) whether before, on or after the date of this Agreement: (i) pursuant to the obligations of the Disclosing Party or any member of Disclosing Party’s Group under or otherwise in connection with this Agreement; or (ii) in connection with the Acquisition, shall in each case be given on the basis that the relevant Representative shall not incur any liability nor owe any duty of care to any member of the Receiving Party’s Group in respect of any loss or damage that any member of its Group or any of its respective directors, officers, employees or advisers may suffer as a result of the provision of any such information and/or assistance (save in each case for loss or damage resulting from the fraud or fraudulent misrepresentation of the relevant Representative). Each Representative shall have the right, pursuant to the Contracts (Rights of Third Parties) Act 1999, to enforce their rights against the Receiving Party or any of the Receiving Party’s successors or assigns under this Clause 11.3. For the purposes of this Clause 11.3, the term “**Group**” shall be construed to mean the Offeror Group or the Target Group as the context may require.

12 Invalidity

12.1 If any provision in this Agreement shall be held to be illegal, invalid or unenforceable, in whole or in part, the provision shall apply with whatever deletion or modification is necessary so that the provision is legal, valid and enforceable and gives effect to the commercial intention of the parties.

12.2 If and to the extent it is not possible to delete or modify the provision, in whole or in part, under Clause 12.1, then such provision or part of it shall, if and to the extent that it is illegal, invalid or unenforceable, be deemed not to form part of this Agreement and the legality, validity and enforceability of the remainder of this Agreement shall, subject to any deletion or modification made under Clause 12.1, not be affected.

13 Code

13.1 Nothing in this Agreement shall in any way limit the parties’ obligations under the Code and any other applicable Law and any uncontested rulings of the Panel as to the application of the Code in conflict with the terms of this Agreement shall take precedence over such terms.

13.2 The parties agree that, if the Panel determines that any provision of this Agreement that requires Target to take or not take action, whether as a direct obligation or as a condition to any other person’s obligation (however expressed), is not permitted by Rule 21.2 of the Code, that provision shall have no effect and shall be disregarded.

14 Notices

14.1.1 Subject to Clause 14.1.6, any notice or other communication in connection with this Agreement (each, a “Notice”) shall be:

- (a) in writing;
- (b) in English; and
- (c) delivered by hand, email, pre-paid recorded delivery, pre-paid special delivery or courier using an internationally recognised courier company.

14.1.2 A Notice to Offeror shall be sent to the following address, or such other person or address as Offeror may notify to Target from time to time:

Renesas Electronics Corporation

Renesas Electronics Corporation

Toyosu Foresia, 3-2-24, Toyosu, Koto-ku,

Tokyo 135-0061

FAO: [REDACTED]

Email: [REDACTED]

With a copy (which shall not constitute notice) by email to:

Covington & Burling LLP

265 Strand

London, WC2R 1BH

United Kingdom

FAO: Louise Nash and Simon Amies

Email: lnash@cov.com and samies@cov.com

14.1.3 A Notice to Target shall be sent to the following address, or such other person or address as Target may notify to Offeror from time to time:

Dialog Semiconductor Plc

Tower Bridge House

St Katharine's Way

London, E1W 1AA

United Kingdom

FAO: [REDACTED]

Email: [REDACTED]

With a copy (which shall not constitute notice) by email to:

Linklaters LLP

One Silk Street

London, EC2Y 8HQ

United Kingdom

FAO: Nick Rumsby and Dan Schuster-Woldan

Email: nick.rumsby@linklaters.com and dan.schuster-woldan@linklaters.com

14.1.4 Each party shall notify the other in writing of any change to its notice details for the purposes of this Clause from time to time.

14.1.5 A Notice shall be effective upon receipt and shall be deemed to have been received:

- (a) at 9.00 a.m. on the second Business Day after posting or at the time recorded by the delivery service;
- (b) at the time of delivery, if delivered by hand or courier; or
- (c) at the time the email is sent, if sent by email, provided that receipt shall not occur if the sender receives an automated message that the e-mail has not been delivered to the recipient.

14.1.6 Email is not permitted for any Notice by any party that:

- (a) terminates, gives notice to terminate or purports to terminate this Agreement; or
- (b) notifies or purports to notify an actual or potential claim for breach of or under this Agreement.

15 Further Assurances

Each party shall, and shall use reasonable endeavours to procure that any necessary third party shall, at the cost of the requesting party, from time to time, execute such documents and do such acts and things as the requesting party may reasonably require for the purpose of giving the full benefit of this Agreement to the requesting party.

16 Remedies and Waivers

16.1 The rights and remedies provided for in this Agreement are cumulative and not exclusive of any other rights or remedies, whether provided by law or otherwise.

16.2 No failure or delay by either party in exercising any right or remedy provided under this Agreement shall operate as a waiver of it, nor shall any single or partial exercise of any right or remedy preclude any other or further exercise of it or the exercise of any other right or remedy.

16.3 Any waiver of a breach of this Agreement shall not constitute a waiver of any subsequent breach.

16.4 Without prejudice to any other rights and remedies which any party may have, each party acknowledges and agrees that damages alone would not be an adequate remedy for any breach by any party of the provisions of this Agreement and any party shall be entitled to seek the remedies of injunction, specific performance and other equitable relief (and the parties shall not contest the appropriateness or availability thereof), for any threatened or actual breach of any such provision of this Agreement by any party and no proof of special damages shall be necessary for the enforcement by any party of the rights under this Agreement.

17 No Partnership

Nothing in this Agreement and no action taken by the parties under this Agreement be deemed to constitute a partnership between the parties nor constitute any party the agent of any other party for any purpose.

18 Time of Essence

Except as otherwise expressly provided, time shall be of the essence of this Agreement both as regards any dates, times and periods mentioned and as regards any dates, times and periods which may be substituted for them in accordance with this Agreement or by agreement in writing between Target and Offeror.

19 Third Party Rights

Save as set out in Clause 9.3 and Clause 11.3, a person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of, or enjoy any benefit under, this Agreement.

20 Variation

20.1 No variation of this Agreement shall be effective unless in writing and signed by or on behalf of each of Target and Offeror.

20.2 Notwithstanding Clause 19 (*Third Party Rights*), this Agreement may be varied in any way without the consent of any third party beneficiary under Clause 9.3 and Clause 11.3, provided that the consent of each third party beneficiary under Clause 9.3 and Clause 11.3 shall be required for any variation of Clauses 9.1, 9.2 and/or 11.3 at any time on or after the Effective Date or the Offer becoming or being declared unconditional in all respects (as the case may be).

21 Whole Agreement

21.1 Save for the Confidentiality Agreement, the Clean Team Agreement and the Confidentiality and Joint Defence Agreement (each of which remains in force at the date of this Agreement), this Agreement contains the whole agreement between the parties relating to the Acquisition and supersedes any previous written or oral agreement between the parties in relation to the Acquisition.

21.2 Except in the case of fraud, each party agrees and acknowledges that it is entering into this Agreement in reliance only upon this Agreement and that it is not relying upon any pre-contractual statement that is not set out in this Agreement.

21.3 Except in the case of fraud, no party shall have any right of action (including those in tort or arising under statute) against another party arising out of or in connection with any pre-contractual statement except to the extent that it is repeated in this Agreement.

21.4 For the purposes of this Clause 21 (*Whole Agreement*), “**pre-contractual statement**” means any draft, agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to the subject matter of this Agreement made or given by any person at any time before the date of this Agreement.

22 Assignment and implementation by a wholly-owned bidding vehicle

- 22.1** Except as otherwise expressly provided in this Agreement, neither Offeror nor Target may assign, grant any security interest over, hold on trust or otherwise transfer the benefit of the whole or any part of this Agreement, provided that Offeror may, without the consent of Target, assign the benefit of the whole or any part of this Agreement to any other corporate entity or other vehicle which is or may become the offeror for Code purposes and in such case Offeror shall procure that such other corporate entity or other vehicle shall assume the obligations of Offeror hereunder.
- 22.2** Offeror and Target agree that the Acquisition will be effected by Offeror or, at Offeror's election, by a wholly-owned subsidiary of Offeror.
- 22.3** If the Acquisition is to be effected by a wholly-owned subsidiary of Offeror ("**Offeror Bidco**"), Offeror shall and undertakes to procure that Offeror Bidco shall comply with the terms of this Agreement as if, where the context permits, references to Offeror were to Offeror and Offeror Bidco.

23 Costs and Expenses

Each party shall bear all costs incurred by it in connection with the preparation, negotiation and entry into this Agreement.

24 Counterparts

This Agreement may be entered into in any number of counterparts, all of which taken together shall constitute one and the same instrument. Any party may enter into this Agreement by executing any such counterpart.

25 Governing Law and Submission to Jurisdiction

- 25.1** This Agreement and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law.
- 25.2** Subject to Clause 25.3 below, each of Offeror and Target irrevocably agrees that the courts of England are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with this Agreement and that accordingly any proceedings arising out of or in connection with this Agreement shall be brought in such courts. Each of Offeror and Target irrevocably submits to the jurisdiction of such courts and irrevocably waives any objection to proceedings in any such court on the ground of venue or on the ground that the proceedings have been brought in an inconvenient forum.
- 25.3** Notwithstanding Clause 25.2 above, the parties shall be entitled to seek from any competent court any interim or interlocutory remedy (including those contemplated by Clause 16 (*Remedies and Waivers*) above. Nothing in this Clause 25 (*Governing Law and Submission to Jurisdiction*) shall deprive any competent court of jurisdiction to grant any such remedy or relief.

26 Appointment of Process Agent

- 26.1** Offeror hereby irrevocably appoints Renesas Electronics Europe Limited of Dukes Meadow, Millboard Road, Bourne End, SL8 5FH, United Kingdom as its agent to accept service of process in England and Wales in any legal action or proceedings arising out of this

Agreement, service upon whom shall be deemed completed whether or not forwarded to or received by Offeror.

- 26.2** Offeror agrees to inform Target in writing of any change of address of such process agent within 14 days of such change.
- 26.3** If such process agent ceases to be able to act as such or to have an address in England and Wales, Offeror irrevocably agrees to appoint a new process agent in England and Wales acceptable to Target and to deliver to Target within 14 days a copy of a written acceptance of appointment by the process agent.
- 26.4** Nothing in this Agreement shall affect the right to serve process in any other manner permitted by law or the right to bring proceedings in any other jurisdiction for the purposes of the enforcement or execution of any judgment or other settlement in any other courts.

In witness whereof this Agreement has been duly executed on the date first set out above:

SIGNED by

[Redacted Signature]

for and on behalf of **Renesas
Electronics Corporation:**

}

[Redacted Signature]

SIGNED by

_____ 

for and on behalf of

Dialog Semiconductor Plc:

}



Schedule 1 Share Plans and Employee Matters

General provisions

- 1.1** Subject to applicable confidentiality, legal and regulatory requirements, each party will co-operate with the other party in order to facilitate the implementation of the arrangements set out in this Schedule.
- 1.2** Offeror agrees that Target shall be permitted to make, and shall cooperate with, any submission to the Takeover Panel as Target may determine to be necessary or desirable to implement the arrangements contemplated by this Schedule.
- 1.3** Any payments as described herein will be subject to the usual deductions for applicable taxes and national insurance and similar social security deductions or contributions.
- 1.4** The Target confirms, based on its records in respect of the Target Share Plans, that as at 31 December 2020, the following Awards were outstanding in respect of the following numbers of Target Shares:
- 1.4.1** the ESP:
 - (i) Options (vested and unvested): 1,620,180
 - (ii) RSUs: 1,087,003
 - 1.4.2** the DBP:
 - (i) Options (vested and unvested): 98,114
 - (ii) RSUs: 89,445
 - 1.4.3** the LTIP:
 - (i) Options (vested and unvested): 1,030,822
 - (ii) RSUs: 823,471

Target confirms that no additional options or awards over Target Shares have, as at the date of this Agreement, been granted since 1 January 2021.

PART A – Target Share Plans

1 Appropriate proposals to be made

- 1.1** Subject to applicable confidentiality, legal and regulatory requirements, Offeror shall make appropriate proposals to the participants in the Target Share Plans, where and as required under Rule 15 of the Code, based on the treatment set out in paragraphs 3 and 4 below (the “**Proposals**”). Target and Offeror intend that the Proposals will be detailed within joint letters (with content agreed between Offeror and Target (such agreement not to be unreasonably withheld)) from Target and Offeror to participants in the relevant Target Share Plans and will be distributed by Target at the same time as the Scheme Document is published (or such later time as Target and Offeror and the Panel may agree).
- 1.2** If the Acquisition is implemented by way of an Offer, references to the Court Order being granted in this Schedule will be read as if they refer to the date on which the Offer becomes

or is declared unconditional in all respects and the parties shall work together in good faith to agree any modifications to the Proposals as may be necessary or desirable.

2 Exercise of discretions and administration of the Target Share Plans

- 2.1** Offeror acknowledges and agrees that before the Effective Date, the Target Directors (and, where appropriate the Target Remuneration Committee) may operate the Target Share Plans (including but not limited to granting awards and making vesting/discretionary determinations in the ordinary course taking into account the prevailing business and market conditions at the relevant time, including in relation to new joiner awards) in accordance with the rules of the relevant Target Share Plan, Target's Directors' Remuneration Policy (where applicable), under any change in control agreement existing prior to the date of this Agreement ("**CiC Agreement**") (where applicable) and Target's normal practice taking into account the prevailing business and market conditions at the relevant time, save as set out in this Schedule.
- 2.2** Subject always to Rule 21 of the Code and Target's Directors' Remuneration Policy, Offeror acknowledges and agrees that Target may amend the rules of any of the Target Share Plans (in accordance with their terms) in relation to the time at which Awards vest or may be exercised if, in the opinion of the Target Directors or the Target Remuneration Committee, the amendments are necessary or desirable to implement the Scheme, comply with this Agreement, comply with any local Law requirement, facilitate the administration of any Target Share Plan or to obtain or maintain favourable tax treatment for any participants in Target Share Plans or any member of the Target Group. No amendments shall be made to the rules of the Target Share Plans which may result in a material increased cost for the Target Group without Offeror's prior written agreement.
- 2.3** Offeror acknowledges that, from the date of this Agreement, Target may satisfy the vesting or exercise of any Awards by issuing new Target Shares or transferring market purchased or treasury shares, or cash-settling Awards, always in accordance with the terms of the relevant Target Share Plan.
- 2.4** As at 31 December 2020 the Target EBT 1 holds 3,612,326 unallocated Target Shares. As at 31 December 2020 the Target EBT 2 holds 17,783 unallocated Target Shares.
- 2.4.1** Target acknowledges that it is its intention, in priority to the issue of new Target Shares, the cash-settlement of Awards or the transfer out of treasury of Target Shares held by Target, to recommend to the trustee of the Target EBT 1 and/or the trustee of the Target EBT 2, respectively, that the trustee will use the Target Shares held in the Target EBT 1 and/or Target EBT 2, respectively, to satisfy the vesting or exercise of any Awards which occurs after the date of this Agreement; and
- 2.4.2** Target acknowledges that it does not intend to make any recommendations to the trustee of the Target EBT 1 and/or the trustee of the Target EBT 2, respectively, to use any cash in the Target EBT 1 and/or the Target EBT 2 for the purpose of making incentive payments on or prior to the Effective Date.
- 2.5** Subject to the Acquisition being approved by Target Shareholders at the Court Meeting, Target and Offeror will work together in good faith to jointly approach the trustee of the Target EBT 1 and the trustee of the Target EBT 2 with a view to confirming how trust assets hedging Awards may be utilised following the Effective Date (save that in respect of any information shared between the parties for this purpose, any such sharing will be in accordance with applicable antitrust laws).

3 Treatment of Awards under the Target Share Plans

3.1 Offeror acknowledges and agrees that Performance Awards held by participants that are not already vested or exercisable will either: (i) vest and/or become exercisable in accordance with the terms of the LTIP rules on the Court Order being granted; or (ii) be rolled-over into awards over Offeror's shares ("**Rolled-Over Performance Awards**") on the Effective Date, as follows:

- 3.1.1 the portion of the Performance Award vesting will reflect the extent to which any applicable performance targets are determined to have been achieved (measured to as close as practicable to immediately prior to the Court Order being granted);
- 3.1.2 the portion of the Performance Award vesting will further be limited to a time pro-rated amount calculated based on the number of whole months that have elapsed as a proportion of the relevant three-year vesting period of the Performance Award;
- 3.1.3 the portion of the Performance Award tested under paragraphs 3.1.1 and 3.1.2 that does not vest shall lapse on the Court Order being granted;
- 3.1.4 all vested but unexercised Performance Awards will lapse (to the extent not already settled) three months after the date the Court Order is granted (unless lapsing earlier in accordance with their terms);
- 3.1.5 50% of any portion of a Performance Award that does not vest on the Court Order being granted (excluding any Performance Awards that were already vested but unexercised immediately prior to the Court Order being granted) due to the application of time pro-rating (but not performance testing) will be used to determine the size of the Rolled-Over Performance Award, and the ratio used to calculate the number of Offeror's shares subject to Rolled-Over Performance Awards shall be calculated as follows:
 - (i) the Offer Price less, where applicable, the exercise price/nominal value, which shall represent the value of a Target Share; divided by
 - (ii) the Offeror's share price based on the 10-day average share price (based on the closing price) prior to the Effective Date.

3.2 Save as set out in paragraph 3.1 above, Offeror acknowledges and agrees that Awards held by participants that are not already vested or exercisable will either: (i) vest and/or become exercisable in accordance with the terms of the relevant Target Share Plan rules on the Court Order being granted; or (ii) be rolled-over into awards over Offeror's shares ("**Rolled-Over Awards**") on the Effective Date, as follows:

- 3.2.1 the portion of the Award vesting will be limited to a time pro-rated amount calculated based on the number of whole months that have elapsed as a proportion of the Total Vesting Period for the Award, less any portion of the Award already vested;
- 3.2.2 all vested but unexercised Awards will lapse (to the extent not already settled) three months after the date the Court Order is granted (unless lapsing earlier in accordance with their terms);
- 3.2.3 any portion of an Award that does not vest on the Court Order being granted (excluding any Awards that were already vested but unexercised immediately prior to the Court Order being granted) will be used to determine the size of the Rolled-

Over Award, and the ratio used to calculate the number of Offeror's shares subject to Rolled-Over Awards shall be calculated as follows:

- (i) the Offer Price less, where applicable, the exercise price/nominal value, which shall represent the value of a Target Share; divided by
- (ii) the Offeror's share price based on the 10-day average share price (based on the closing price) prior to the Effective Date.

3.3 Rolled-Over Performance Awards and Rolled-Over Awards will (subject to the below):

- 3.3.1** be granted under the Offeror's standard equity incentive arrangements ((save as provided below) to be no less favourable than those generally offered to other employees of Offeror) as modified in accordance with this Schedule;
- 3.3.2** be either be nil-cost options, options having an exercise price of Japanese ¥1.00 or restricted stock units;
- 3.3.3** vest according to the schedule in the original Award;
- 3.3.4** where applicable to the original Award, be subject to malus and clawback provisions that are no more onerous than those under the Target Share Plans;
- 3.3.5** be subject to leaver provisions that are no less favourable than those under the Target Share Plans (and any amount that vests as a result of such leaver provisions shall be calculated as follows: (i) in respect of Rolled-Over Awards, based on the number of whole months that have elapsed since the date the Rolled-Over Award was granted as a proportion of the period from the date of the grant of the Rolled-Over Award to the end of the relevant Total Vesting Period less any portion of the Rolled-Over Award already vested (save that no pro-rating shall apply to Rolled-Over Awards that related to Awards granted under the DBP); and (ii) in respect of Rolled-Over Performance Awards based on the number of whole months that have elapsed since the date the Rolled-Over Performance Award was granted as a proportion of the period from the date of the grant of the Rolled-Over Performance Award to the end of the relevant Total Vesting Period); and
- 3.3.6** not be subject to any further performance conditions.

Subject to the preceding sentence, Offeror shall determine the terms of the Rolled-Over Performance Awards and Rolled-Over Award.

3.4 Target will ensure that any Awards which vest or become exercisable upon the Court Order being granted (and in the case of options which are immediately exercised) will be settled in sufficient time to enable the resulting Target Shares to be bound by the Scheme on the same terms as Target Shares held by Target Shareholders.

3.5 Any vested Awards that are already exercisable shall lapse (to the extent not already settled) three months after the date the Court Order is granted.

3.6 The parties shall work together in good faith to give effect to the treatment of Awards as set out in this paragraph 3 above and/or agree alternative treatment where the above treatment would give rise to materially adverse tax or securities law implications for Target, Target's Group, the Offeror or any participant(s) in the Target Share Plans.

4 **Articles amendment**

- 4.1 Target and Offeror agree that, as part of the Target Resolutions, Target will seek Target Shareholder approval for an amendment to the Target articles of association and inclusion of a new article (to be set out in the notice of the Target General Meeting) under which, with effect from the Effective Date, Target Shares which are issued or transferred after the Effective Date as a result of vesting and/or exercise of Awards will be transferred to Offeror for the same consideration as is payable per Target Share to Target Shareholders under the Scheme.

5 General

- 5.1 Any vesting/settlement of Awards or other payments as described herein will be subject to the usual deductions for applicable taxes and national insurance and similar social security deductions or contributions, and the Proposals shall include mechanisms to ensure that any such deductions may be made and any withholding obligations of any Target Group company complied with.
- 5.2 Any vesting/settlement of Awards or other payments as described herein will be subject to the payment of the relevant exercise price / nominal value where required, and the Proposals shall include mechanisms to ensure that any such payment may be made on a net-settled basis by deducting the exercise price / nominal value (where required) due from the consideration due on the sale of the Target Shares, under the Acquisition or otherwise.
- 5.3 Offeror and Target agree that in respect of outstanding, vested, exercised and/or settled options or awards granted under the Target Share Plans, any provisions of the Target Share Plans relating to malus and/or clawback shall continue to be applicable following the Effective Date.
- 5.4 Offeror agrees that in respect of Awards under the LTIP, any provisions of the LTIP relating to post-vesting holding requirements will cease to apply from the Court Order being granted.
- 5.5 Nothing in this Part A will prejudice the rights of any Target Group employee under any CiC Agreement including where such CiC Agreement entitles them to treatment of their Awards that is more beneficial to the employee than provided for in this Part A, including leaver treatment (and for such purposes Rolled-Over Performance Awards and Rolled-Over Awards will be read as constituting Equity Awards under the CiC Agreement).

PART B – Employee Matters

1 Ordinary course matters

Offeror acknowledges that at any time before the Effective Date, Target will undertake all people-related matters (including annual or other periodic pay reviews, appraisals, promotion rounds, one-off bonus awards including awards made on hiring, share plan awards/vestings and hiring and termination of employees) in the ordinary course of business (notwithstanding that there was no pay review in July 2020), taking into account the prevailing business and market conditions at the relevant time.

2 Annual and other periodic bonus arrangements

- 2.1 Offeror acknowledges that this paragraph 2 will apply in respect of Target's bonus arrangements save where any Target Group employee is entitled to more favourable treatment under any CiC Agreement.

- 2.2** Subject to paragraphs 2.4 and 2.5 below, in respect of any financial year of Target ending before the Effective Date, annual and other periodic bonuses will be determined by Target in accordance with the relevant Target policies and practices existing on 31 December in the year in question applying, in a manner consistent with Target's past practice, financial and/or performance metrics (including individual/personal performance metrics) and financial methodology and accounting practices (IFRS).
- 2.3** Subject to paragraphs 2.4 and 2.5 below, in respect of any financial year of Target in which the Effective Date occurs, annual and other periodic bonuses will be determined in accordance with the relevant Target policies and practices existing on the Effective Date, and applying the same financial and/or other performance metrics (including individual/personal performance metrics) and financial methodology and accounting practices (IFRS) as Target used to make such determinations under the relevant policies and practices.
- 2.4** For any bonuses awarded after the date of this Agreement (excluding bonuses for the year ending 31 December 2020), cash target and maximum opportunities under the DBP will be increased to include the matching deferred share element made available in prior years under such scheme.
- 2.5** For the Executive Director of Target, in respect of the period of employment prior to and including the Effective Date, bonus will be determined by the Target Remuneration Committee in accordance with Target's Directors' Remuneration Policy based on its assessment of performance at that time. Unless otherwise permitted by Target's Directors' Remuneration Policy or agreed with the Offeror, any such bonus will be paid at the normal payment date following the year end. Any bonus for the period from the Effective Date to the relevant year end will be determined by Offeror. Any bonus payable pursuant to this paragraph 2.5 shall be payable in cash without deferral.

3 Other matters

3.1 Business protection

Offeror acknowledges that Target intends to put in place deal-related cash retention and incentivisation arrangements (the total costs of which will not exceed the amount agreed between the parties prior to the date of this Agreement) for certain of the Target Group's employees whose retention Target considers critical for the business. Such awards will be subject to prior consultation with the Offeror in relation to the categories of recipients and the proposed awards, with individual awards to be paid no earlier than four months following the Effective Date (other than in certain good leaver situations, e.g. redundancy or reduction in force). The Target will not make awards in excess of the budget agreed between the parties, without the consent of the Offeror. For the avoidance of doubt, such awards will be in addition to any bonus arrangements in paragraph 2 and any bonus entitlements under any CiC Agreement.

3.2 Maintenance of compensation, benefits and severance arrangements

3.2.1 Upon and following the Effective Date, Offeror will fully observe the existing contractual and statutory employment rights of Target Group employees in accordance with applicable law (including any contractual and statutory rights in relation to pensions and any CiC Agreement existing prior to the date of this Agreement).

3.2.2 Until 31 December 2022, Offeror agrees that, in respect of each Target Group employee employed immediately prior to the Effective Date who remains in employment following the Effective Date, it will (or will cause the relevant employing entity in the Offeror or Target Group to) maintain:

- (i) at least the same base salary or wage rate and cash allowances;
- (ii) substantially comparable cash incentive compensation and long term incentive compensation opportunities (although such incentives need not be in the form of equity nor replicate the terms of the Target Share Plans); and
- (iii) a benefits package (including tax filing or other tax-related support arrangements in place at the date of this Agreement, vacation/paid time off (PTO)/holiday, insured benefits and any terms relating to pension accrual and/or contribution) which is at least substantially comparable in the aggregate to the existing benefits,

in each case, as provided to such Target Group employee immediately prior to the Effective Date.

3.2.3 Subject to paragraph 3.2.4, in respect of any Target Group employee whose employment is terminated by reason of redundancy (or any similar concept under any applicable law) prior to the earlier of (i) the first anniversary of the Effective Date or (ii) 31 December 2022, Offeror agrees to apply Target Severance Policy (without prejudice to any CiC Agreement or other change in control, separation and/or severance protection and benefit provided under a written agreement with a Target Group employee and in place as at the date of this Agreement, which shall be maintained and honoured in accordance with the terms of that agreement) and thereafter to offer severance terms that are at least as good as Offeror's severance practices in the relevant countries (summary details of which at the date of this Agreement have been provided to Target).

3.2.4 For the purposes of paragraph 3.2.3, "**Target Severance Policy**" means the severance arrangements previously applied by Target, summary details of which have been provided to Offeror prior to the date of this Agreement.

3.3 Integration planning

3.3.1 Following the Effective Date, Offeror intends to carry out a detailed review of Target's business and operations, to identify any areas of duplication or overlap and to optimize the structure of the merged business units of the Combined Group. In order to deliver any financial and operational synergies, Offeror and Target recognise that completion of the Acquisition may result in an integration and restructuring process for the Combined Group with consequent limited terminations of employment, including termination by reason of redundancy or other similar concept under any applicable law.

3.3.2 Offeror will only develop and implement such proposals once the detailed review and integration planning has been completed and discussions have been undertaken with the people concerned. Target will assist with integration planning, as appropriate. The finalisation and implementation of any workforce reductions and, where applicable, other impacts of such proposals on Target's employees (including, for example, impact on daily commute), will be subject to comprehensive planning, appropriate engagement with relevant stakeholders, including affected employees,

and consultation with employees and employee representatives, if required by applicable local law.

**Schedule 2
Announcement**

[See Separate Attachment]

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION

FOR IMMEDIATE RELEASE

8 February 2021

RECOMMENDED CASH OFFER

for

DIALOG SEMICONDUCTOR PLC

by

RENESAS ELECTRONICS CORPORATION

**to be effected by means of a scheme of arrangement
under Part 26 of the Companies Act 2006**

Summary

- The boards of Renesas Electronics Corporation (“**Renesas**”) and Dialog Semiconductor Plc (“**Dialog**”) are pleased to announce that they have reached agreement on the terms of a recommended all cash offer to be made by Renesas for the entire issued and to be issued share capital of Dialog (the “**Acquisition**”).
- Under the terms of the Acquisition, each Dialog Shareholder will be entitled to receive:
 - €67.50 in cash for each Dialog Share**
- The Acquisition values the entire issued and to be issued share capital of Dialog at approximately €4,886 million.
- The price of €67.50 in cash per Dialog Share represents a premium of approximately:
 - 20.3 per cent. to the Closing Price of €56.12 for each Dialog Share on 5 February 2021 (being the Latest Practicable Date);
 - 51.7 per cent. to the daily volume weighted average price of €44.50 for each Dialog Share for the three month period ended 5 February 2021 (being the Latest Practicable Date); and
 - 61.5 per cent. to the daily volume weighted average price of €41.79 for each Dialog Share for the six month period ended 5 February 2021 (being the Latest Practicable Date).
- The Acquisition represents a compelling opportunity for all Dialog Shareholders to realise their full investment in cash at a substantial upfront premium to the daily volume weighted average price of the Dialog Shares for the three month and six month periods ended 5 February 2021 (being the Latest Practicable Date).

- The Dialog Directors, who have been so advised by J.P. Morgan Cazenove and Qatalyst Partners as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their financial advice to the Dialog Directors, each of J.P. Morgan Cazenove and Qatalyst Partners have taken into account the commercial assessments of the Dialog Directors. J.P. Morgan Cazenove and Qatalyst Partners are providing independent financial advice to the Dialog Directors for the purposes of Rule 3 of the Takeover Code.
- Accordingly, the Dialog Directors intend to recommend unanimously that Dialog Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition to be proposed at the Dialog General Meeting, as the Dialog Directors who hold interests in Dialog Shares have irrevocably undertaken to do in respect of their own beneficial holdings of 599,327 Dialog Shares (representing, in aggregate, approximately 0.841 per cent. of the Dialog Shares in issue on 5 February 2021, being the Latest Practicable Date). Full details of the irrevocable undertakings received by Renesas are set out in Appendix 3 to this Announcement.
- It is intended that the Acquisition be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act (or, if Renesas so elects, subject to the terms of the Co-operation Agreement and with the consent of the Takeover Panel, a Takeover Offer). The purpose of the Scheme is to provide for Renesas to become the owner of the entire issued and to be issued ordinary share capital of Dialog. The Scheme will be put to Dialog Shareholders at the Court Meeting and at the Dialog General Meeting. In order to become effective, the Scheme must be approved by a majority in number of the Dialog Shareholders voting at the Court Meeting, either in person or by proxy, representing not less than 75 per cent. in value of the Scheme Shares voted. In addition, the implementation of the Scheme must also be approved by Dialog Shareholders at the Dialog General Meeting.
- The Acquisition is subject to the Conditions and certain further terms set out in Appendix 1 including the approval of Dialog Shareholders and the receipt of certain anti-trust and foreign investment clearances, including in Germany, the People's Republic of China, Taiwan and the United States.
- The Scheme Document will include the full terms and conditions of the Acquisition, together with notices of the Court Meeting and Dialog General Meeting, the expected timetable of the Acquisition and will specify the action to be taken by Dialog Shareholders. It is expected that the Scheme Document will be published within 28 days of this Announcement (or on such later date as may be agreed by the Takeover Panel).
- The Acquisition is currently expected to become Effective in the second half of 2021, subject to the satisfaction or waiver of the Conditions and certain further terms set out in Appendix 1 and to the full terms and conditions of the Acquisition which will be set out in the Scheme Document. An expected timetable of principal events will be included in the Scheme Document.
- Renesas is a multi-national corporation headquartered in Tokyo, Japan and is listed on the Tokyo Stock Exchange and is a component of the JPX Nikkei Index 400. Renesas delivers trusted embedded design innovation with complete semiconductor solutions that enable billions of connected, intelligent devices to enhance the way people work and live - securely and safely. A provider of microcontroller units (MCUs), analog, power, and system-on-chip (SoC) products, Renesas provides the expertise, quality, and comprehensive solutions for a broad range of Automotive, Industrial, Home Electronics (HE), Office Automation (OA) and Information Communication Technology (ICT) applications to help shape a limitless future.
- Dialog is an innovative provider of integrated circuits (ICs) that power mobile devices, consumer Internet of Things (IoT) and Industry 4.0. Dialog's technologies include battery and power

management, AC/DC power conversion, custom mixed-signal ICs, Bluetooth low energy ICs and low-power Wi-Fi, and non-volatile flash memory. Dialog's solutions are integral to some of today's leading mobile devices and the enabling element for increasing performance and productivity on the go. From making smartphones more power efficient and shortening charging times, enabling home appliances to be controlled from anywhere to connecting the next generation of wearable devices, Dialog's decades of experience and world-class innovation help manufacturers get to what's next.

Commenting on the Acquisition, Dr. Jalal Bagherli, CEO of Dialog, said:

"For several years, we have successfully executed on a diversification strategy that positions Dialog for high growth. We have built a strong foundation of high-performance analog and power efficient mixed-signal expertise, extended our product portfolio and applied our technologies into markets including 5G, wearables, automotive, smart home, connected medical and industrial IoT. This compelling platform - combined with Renesas' embedded compute, analog and power portfolio - creates even greater growth opportunities in today's increasingly connected world. The Dialog team is excited to join forces with Renesas. The combined company will be in an even stronger position to provide innovative products for these markets, building on Renesas' extensive sales, distribution and customer support capabilities."

Commenting on the Acquisition, Hidetoshi Shibata, President and CEO of Renesas, said:

"The transaction we announced today represents our next important step in catapulting Renesas' growth plan to achieve substantial strategic and financial benefits, following our previous acquisitions. Dialog has a strong culture of innovation along with excellent customer relationships and serves fast growing areas including IoT, industrial and automotive. By bringing Dialog's talented team and expertise into Renesas, together, we will accelerate innovation for customers and create sustainable value for our shareholders."

This summary should be read in conjunction with, and is subject to, the full text of the following Announcement and its appendices. In particular, the Acquisition will be subject to the Conditions and further terms set out in Appendix 1 to this Announcement and to the full terms and conditions which will be set out in the Scheme Document. Appendix 2 details the sources of financial information and bases of calculation used in the Announcement. Appendix 3 contains information in respect of the irrevocable undertakings. Appendix 4 sets out the definitions of certain terms used in the Announcement.

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Covington & Burling LLP is acting as legal adviser to Renesas and Linklaters LLP is acting as legal adviser to Dialog.

Important Notice

Nomura International plc (“Nomura”), which is authorised by the Prudential Regulation Authority and regulated by Prudential Regulation Authority and the Financial Conduct Authority in the United Kingdom, is acting as financial adviser exclusively to Renesas and no one else in connection with the Acquisition and this Announcement and Nomura, its affiliates and its respective officers, employees, agents, representatives and/or associates will not regard any other person as their client, nor will they be responsible to anyone other than Renesas for providing the protections afforded to clients of Nomura nor for providing advice in relation to the matters in the Acquisition, this Announcement or any matter referred to herein. Neither Nomura nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Nomura in connection with the Acquisition, this Announcement or any matter referred to herein.

J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove, (“J.P. Morgan Cazenove”) and which is authorised in the United Kingdom by the Prudential Regulation Authority and regulated in the United Kingdom by the Prudential Regulation Authority and the Financial Conduct Authority, is acting exclusively as financial adviser to Dialog and no one else in connection with the matters set out in this Announcement and will not regard any other person as its client in relation to the Acquisition and shall not be responsible to anyone other than Dialog for providing the protections afforded to clients of J.P. Morgan Cazenove nor for providing advice in connection with the Acquisition or any matter referred to herein.

Qatalyst Partners Limited (“Qatalyst Partners”), which is authorised in the United Kingdom by the Financial Conduct Authority, is acting exclusively as financial adviser to Dialog and no one else in connection with the matters set out in this Announcement and will not regard any other person as its client in relation to the Acquisition and shall not be responsible to anyone other than Dialog for providing the protections afforded to clients of Qatalyst Partners or for providing advice in connection with the Acquisition or any matter referred to herein.

Further information

The Announcement is made pursuant to Rule 2.7 of the Takeover Code and is provided for information purposes only. It is not intended to, and does not constitute, nor form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, exchange, sell or otherwise dispose of, any securities, or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise nor will there be any sale, issuance, exchange or transfer of securities of Renesas or Dialog in any jurisdiction in contravention of applicable law.

The Acquisition will be made solely pursuant to the terms of the Scheme Document which will contain the full terms and conditions of the Acquisition, including details of how Dialog Shareholders may vote in respect of the Acquisition. Any decision in respect of the Scheme or the Acquisition by Dialog Shareholders should be made only on the basis of the information contained in the Scheme Document. Dialog Shareholders are advised to read the Scheme Document carefully once these become available because they will contain important information in relation to the Acquisition and the Combined Group. The Scheme Document will be posted to Dialog Shareholders within 28 days of the date of this Announcement unless Renesas and Dialog agree otherwise, and the Takeover Panel consents, to a later date.

This Announcement does not constitute a prospectus or prospectus exempted document.

If you are in any doubt about the contents of this Announcement, or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

Restricted Jurisdictions

The release, publication or distribution of this Announcement in jurisdictions other than the United Kingdom, Germany or Japan may be restricted by the laws and regulations of those jurisdictions and therefore any persons who are not resident in the United Kingdom, Germany or Japan should inform themselves about, and observe, any such restrictions. Any failure to comply with such restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, the ability of persons who are not resident in the United Kingdom, Germany or Japan to participate in the Acquisition may be affected by the laws of the relevant jurisdictions in which they are located. To the fullest extent permitted by applicable law, the companies and other persons involved in the Acquisition disclaim any responsibility or liability for any violation of such restrictions by any person.

This Announcement has been prepared for the purposes of complying with applicable English law and will be subject to the applicable requirements of the Takeover Code and the Takeover Panel. The information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside England and Wales.

Unless otherwise determined by Renesas or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction, if to do so would constitute a violation of that jurisdiction. Accordingly, copies of this Announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction, where to do so would violate the laws in that jurisdiction, and persons receiving this Announcement and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from Restricted Jurisdictions, where to do so would violate the laws and regulations in that jurisdiction.

Further details in relation to Dialog Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom, Germany or Japan will be contained in the Scheme Document.

Additional information for US investors in Dialog

The Acquisition relates to shares of a company incorporated under the laws of England and Wales and is being made by means of a scheme of arrangement provided for under Part 26 of the Companies Act. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. This Announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities. If, in the future, Renesas exercises the right to implement the Acquisition by way of a Takeover Offer and determines to extend the offer into the United States, such offer will be made in compliance with applicable US laws and regulations, including any applicable exemptions under the US Exchange Act. Financial information included in this Announcement and the Scheme Documentation has been or will have been prepared in accordance with accounting standards applicable in the United Kingdom that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with US GAAP.

The receipt of consideration by a US holder for the transfer of its Dialog Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each Dialog Shareholder is urged to consult his or her independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to him or her.

It may be difficult for US holders of Dialog Shares to enforce their rights and any claim arising out of the US federal laws, since Renesas and Dialog are located primarily in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of Dialog Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to the jurisdiction and judgment of a US court.

Neither the U.S. Securities and Exchange Commission nor any securities commission of any state of the United States has reviewed, approved or disapproved this Announcement or Acquisition, nor have such authorities passed upon or determined the fairness of the Acquisition or the adequacy or accuracy of the information contained in this Announcement. Any representation to the contrary is a criminal offence in the United States.

Cautionary note regarding forward-looking statements

The Announcement may contain certain statements that are, or may be deemed to be, forward-looking statements with respect to the financial condition, results of operations and business of Dialog and/or Renesas and/or the Combined Group and certain plans and objectives of Dialog and/or Renesas and/or the Combined Group with respect thereto. These forward-looking statements can be identified by the fact that they do not relate to historical or current facts. Forward-looking statements also often use words such as ‘anticipate’, ‘target’, ‘continue’, ‘estimate’, ‘expect’, ‘forecast’, ‘intend’, ‘may’, ‘plan’, ‘goal’, ‘believe’, ‘hope’, ‘aims’, ‘continue’, ‘could’, ‘project’, ‘should’, ‘will’ or other words of similar meaning. These statements are based on assumptions and assessments made by Dialog and/or Renesas (as applicable) in light of their experience and perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this Announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will provide to be correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this Announcement.

Forward-looking statements are not guarantees of future performance. Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this Announcement. Neither Dialog nor Renesas undertakes any obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise, except as required by the Takeover Panel, the Takeover Code or by applicable law.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business and competitive environments, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions prove incorrect, actual results may differ materially from those expected, estimated or projected. Such forward looking statements should therefore be construed in the light of such factors.

No member of the Renesas Group or the Dialog Group nor any of their respective associates, directors, officers, employers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Announcement will actually occur.

Except as expressly provided in this Announcement, no forward-looking or other statements have been reviewed by the auditors of the Renesas Group or the Dialog Group. All subsequent oral or written forward-looking statements attributable to any member of the Renesas Group or the Dialog Group, or any of their respective associates, directors, officers, employers or advisers, are expressly qualified in their entirety by the cautionary statement above.

No profit forecasts, quantified financial benefit statements or estimates

Unless expressly stated otherwise, no statement in this Announcement (including any statement of estimated synergies) is intended, or is to be construed, as a profit forecast, profit estimate or quantified financial benefit statement for any period.

Disclosure of share interests and dealings

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the offer period or the announcement in which any securities exchange offeror is first identified. If a person required to make an Opening Position Disclosure under Rule 8.3(a) deals in the relevant securities of the offeree company or of a securities exchange offeror before midnight

on the day before the Opening Position Disclosure deadline, he must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror during an offer period. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (a) the offeree company and (b) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of: (i) the offeree company; and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8 of the Takeover Code. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3 of the Takeover Code.

Opening Position Disclosures must be made by the offeree company and also by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Takeover Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Takeover Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

Electronic communications

Please be aware that addresses, electronic addresses and certain other information provided by Dialog Shareholders, persons with information rights and other relevant persons in connection with the receipt of communications from Dialog may be provided to Renesas during the offer Period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11 of the Takeover Code.

Publication on websites

This Announcement and the other documents required to be published pursuant to Rule 26.1 of the Takeover Code will be made available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Renesas' website at <https://www.renesas.com/us/en/about/investor-relations/offer-for-dialog> and on Dialog's website at www.dialog-semiconductor.com/acquisition by no later than 12 noon (London time) on the next Business Day following date of this Announcement, up to and including the end of the Acquisition. For

the avoidance of doubt, the contents of these websites are not incorporated into and do not form part of this Announcement.

Availability of hard copies of this Announcement

In accordance with Rule 30.3 of the Takeover Code, a person so entitled may request a hard copy of this Announcement by contacting FTI Consulting by email to dialog@fticonsulting.com or on + 44 203 727 1000 or by submitting a request in writing Dialog Semiconductor Plc, c/o FTI Consulting, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD. Dialog Shareholders may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form. If you have received this Announcement in electronic form, copies of this Announcement and any document or information required to be incorporated by reference into this Announcement will not be provided unless such a request is made.

Number of Dialog shares in issue

In accordance with Rule 2.9 of the Takeover Code, Dialog confirms that, as of today's date, it has in issue 71,268,687 ordinary shares of £0.10 each (excluding Dialog Shares held in treasury). The International Securities Identification Number (ISIN) of Dialog's ordinary shares which are admitted to trading on the Frankfurt Stock Exchange is GB0059822006.

Time

All times shown in this Announcement are London times, unless otherwise stated.

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION

FOR IMMEDIATE RELEASE

8 February 2021

RECOMMENDED CASH OFFER

for

DIALOG SEMICONDUCTOR PLC

by

RENESAS ELECTRONICS CORPORATION

**to be effected by means of a scheme of arrangement
under Part 26 of the Companies Act 2006**

1. Introduction

The boards of Renesas and Dialog are pleased to announce that they have reached agreement on the terms of a recommended cash offer to be made by Renesas for the entire issued and to be issued share capital of Dialog (the “**Acquisition**”). It is intended that the Acquisition will be implemented by means of a scheme of arrangement under Part 26 of the Companies Act (the “**Scheme**”).

2. The Acquisition

Under the terms of the Scheme, which will be subject to the Conditions and further terms set out below and in Appendix 1 and the full terms and conditions to be set out in the Scheme Document, Dialog Shareholders will be entitled to receive:

€67.50 in cash for each Dialog Share

The Acquisition values the entire issued and to be issued share capital of Dialog at approximately €4,886 million.

The price of €67.50 in cash per Dialog Share represents a premium of approximately:

- 20.3 per cent. to the Closing Price of €56.12 for each Dialog Share on 5 February 2021 (being the Latest Practicable Date);
- 51.7 per cent. to the daily volume weighted average price of €44.50 for each Dialog Share for the three month period ended 5 February 2021 (being the Latest Practicable Date); and
- 61.5 per cent. to the daily volume weighted average price of €41.79 for each Dialog Share for the six month period ended 5 February 2021 (being the Latest Practicable Date).

The Acquisition represents a compelling opportunity for all Dialog Shareholders to realise their full investment in cash at a substantial upfront premium to the daily volume weighted average price of the Dialog Shares for the three month period ended 5 February 2021 (being the Latest Practicable Date).

The Scheme Shares will be acquired fully paid and free from all liens, charges, equitable interests, encumbrances, options, rights of pre-emption and any other third party rights or interests of any nature whatsoever and together with all rights now or hereafter attaching or accruing to them, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid, or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, in each case, by reference to a record date falling on or after the Effective Date.

If any dividend, other distribution or return of capital is declared, made or paid in respect of the Dialog Shares on or after the date of this Announcement and prior to the Effective Date, Renesas reserves the right to reduce the consideration payable in respect of each Dialog Share by the amount of all or part of any such dividend, other distribution or return of capital, except where Dialog Shares are or will be acquired pursuant to the Scheme on a basis which entitles Renesas to receive such dividend, other distribution or return of capital and retain it. If Renesas exercises this right or makes such a reduction in respect of a dividend or other distribution, Dialog Shareholders will be entitled to receive and retain that dividend, other distribution or return of capital.

It is expected that the Scheme Document will be published as soon as is practicable and that the Scheme will become effective in the second half of 2021.

3. Background to and reasons for the Acquisition

Dialog provides highly-integrated and power-efficient mixed-signal integrated circuits (ICs) for a broad array of customers within internet of things (IoT), consumer electronics and high-growth segments of automotive and industrial IoT. Centered around its power efficient mixed-signal expertise, Dialog brings a wide range of product offerings including battery and power management, power conversion, configurable mixed-signal, LED drivers, custom mixed-signal ICs (ASICs) and automotive power management ICs (PMICs). Dialog also offers Bluetooth® Low Energy (BLE), WiFi and audio system-on-chips (SoCs) that deliver low power connectivity for a wide range of applications from smart home/building automation, wearables, to connected medical.

All these systems complement and expand Renesas' portfolio in delivering comprehensive solutions to improve performance and efficiency in high-computing electronic systems.

The acquisition announced today demonstrates Renesas' continued and unwavering commitment to further advance its solution offering. The complementary nature of the companies' technological assets and the scale of the combined portfolios will enable Renesas to build more robust and comprehensive solutions to serve high-growth segments of the IoT, industrial and automotive markets. Renesas believes there is a compelling strategic and financial rationale for the Acquisition because it:

Scales Renesas' IoT sector capabilities with Dialog's low-power technologies

Dialog has a differentiated portfolio of low-power mixed-signal products, decades of experience in developing custom and configurable solutions for the world's largest customers and expertise in low-power connectivity that are highly complementary to Renesas. The acquisition of these low-power

technologies enhances Renesas' product portfolio and expands horizons in addressing high-growth markets in the IoT field.

Unlocks further differentiation to Renesas' system solution with connectivity

Bringing together Renesas and Dialog will extend the Combined Group's reach to a broader customer base and open up additional growth potential in the key growth segments: industrial, infrastructure, IoT and automotive. Dialog's BLE, WiFi and audio SoCs are highly complementary to Renesas' MCU-based solutions. Combining Dialog's innovative low-power Wi-Fi and Bluetooth® SoCs and expertise with Renesas' technologies will enable Renesas to further differentiate its system solution offering and extend its footprint in high-growth segments, including contact-less IoT applications for smart home/building automation and healthcare. Renesas' automotive solutions will also be enriched with connectivity for a wide range of security and safety applications.

Adds engineering and design scale and more effective go-to-market initiatives

The past acquisitions brought diverse talent and management capabilities to expand Renesas' global operations. The transaction announced today extends this effort and enables Renesas to add engineering and design scale in low-power analog and mixed signal. The addition of Dialog's strong R&D and geographical presence will also allow Renesas to expand its "Winning Combinations" lineup of innovative solutions and make its go-to-market initiatives more effective to provide seamless and borderless services to customers around the globe.

In 2017 and 2019, Renesas acquired Intersil Corporation and Integrated Device Technology, Inc. ("IDT") to expand its analog solution lineup and to strengthen its kit solution offerings that combine its MCUs, SoCs and analog products. At the same time as the closing of the IDT acquisition, Renesas began capitalizing on the integration by offering compelling Analog + Power + Embedded Processing product combinations that help customers accelerate their designs and get to market at a faster rate. These combinations now add up to more than 210 solutions, focusing on verticals including industrial, infrastructure, automotive, and consumer.

Delivers earnings accretion and cost savings

Renesas anticipates incremental revenue growth of approximately US\$200 million (non-GAAP operating income, approximately 21 billion yen), from cross selling and access to fast-growing industries alongside continued innovation of solution offerings; expects cost savings from operational efficiencies to result in a financial impact of approximately US\$125 million (non-GAAP operating income per year on a run rate basis, approximately 13.1 billion yen). Renesas anticipates the cost savings to be fully realised in approximately three years after the Effective Date, and revenue growth to be fully realised in approximately four to five years after the Effective Date. Dialog's Underlying EBITDA (non-IFRS measure) for the 12-month period to 25 September 2020 was equivalent to 35.5 billion yen. Had the transaction been effective throughout that period, Renesas' non-GAAP gross margin would have been approximately 0.6 percentage points higher.

4. Recommendation of the Dialog Directors

The Dialog Directors, who have been so advised by J.P. Morgan Cazenove and Qatalyst Partners as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their financial advice to the Dialog Directors, J.P. Morgan Cazenove and Qatalyst Partners have taken into account the commercial assessments of the Dialog Directors. J.P.

Morgan Cazenove and Qatalyst Partners are providing independent financial advice to the Dialog Directors for the purposes of Rule 3 of the Takeover Code.

Accordingly, the Dialog Directors intend to recommend unanimously that Dialog Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition to be proposed at the Dialog General Meeting, as they have irrevocably undertaken to do in respect of their own beneficial holdings of 599,327 Dialog Shares (representing in aggregate approximately 0.841 per cent. of the Dialog Shares in issue on 5 February 2021, being the Latest Practicable Date).

5. Background to and reasons for the Dialog Directors' recommendation

The Dialog Board is pleased with the progress that the Company has made in the last few years, in particular since completion of the Apple strategic partnership and licensing deal in April 2019. This transaction delivered greater certainty regarding Dialog's business model and its relationship with a key customer and provided capital which enabled Dialog to invest in new products and business lines. Since that time, the Company has made significant progress in diversifying its sources of revenue and profit across multiple technologies and end-markets as a result of the investments made in the organic expansion of its product portfolio as well as selected inorganic additions.

The Company's share price has risen by 238.6 per cent. from the Closing Price of €16.58 per Dialog Share on 10 October 2018 (being the last Business Day prior to the announcement of the Apple strategic partnership and licensing deal) to the Closing Price of €56.12 per Dialog Share on 5 February 2021 (being the Latest Practicable Date).

The Dialog Board remains confident in Dialog's standalone strategy to continue the transition to a diversified multi-industry analog/mixed-signal semiconductor business with innovative franchises in power management, IoT and Industry 4.0. Whilst there are risks inherent in the transition, including the ability to successfully grow existing business lines and develop new products in highly competitive markets, building the relevant distribution channels in new end-markets, the ability to further reduce Dialog's customer concentration, the increasing emergence of credible new competitors in China, and the potential for future disruptions to the global supply chain for the semiconductor industry, the Dialog Board is confident that Dialog will continue to execute the strategy and deliver significant shareholder value over time.

Notwithstanding the current strong trading conditions for the semiconductor sector and for Dialog's products, particularly in consumer applications, the Dialog Board recognizes the benefits, in an increasingly consolidated and scaled market, of a combination with a global market participant such as Renesas. The Acquisition can help to accelerate growth in its highly complementary core intellectual property (IP) portfolio, de-risk the execution of Dialog's more nascent products and advance Dialog's go-to-market capabilities with access to Renesas' significant set of customer relationships, broad distribution network and position in the automotive market. The Acquisition also provides a compelling opportunity for Dialog shareholders to immediately realise the value of their holdings in cash.

Renesas' all cash offer followed extended discussions between Dialog and Renesas as well as discussions with a number of other potentially interested parties.

In considering the terms of the Acquisition, the Dialog Directors have taken into account a number of factors, including those mentioned above and that the cash value of the offer of €67.50 per Dialog Share represents a significant premium of approximately:

- 20.3 per cent. to the Closing Price of €56.12 for each Dialog Share on 5 February 2021 (being the Latest Practicable Date);

- 51.7 per cent. to the daily volume weighted average price of €44.50 for each Dialog Share for the three month period ended 5 February 2021 (being the Latest Practicable Date); and
- 61.5 per cent. to the daily volume weighted average price of €41.79 for each Dialog Share for the six month period ended 5 February 2021 (being the Latest Practicable Date).

The Dialog Directors also took account of Renesas' intentions for the business, management, employees and locations of business of Dialog. The Dialog Directors note the great importance attached by Renesas to the skills, knowledge and expertise of Dialog's management and employees and its intention to ensure strong business momentum through employee retention, and its recent history of successful acquisitions. The Dialog Directors have given due consideration to the assurances given to employees within the Dialog Group including the arrangements outlined in the Co-operation Agreement.

6. Information on Renesas

Renesas was formed in April 2010 through the integration of NEC Electronics Corporation and Renesas Technology Corp. and delivers trusted embedded design innovation with complete semiconductor solutions that enable billions of connected, intelligent devices to enhance the way people work and live - securely and safely. With an extensive portfolio of microcontrollers, analog, power, and SoC products, Renesas provides the expertise, quality, and comprehensive solutions for a broad range of Automotive, Industrial, Home Electronics (HE), Office Automation (OA) and Information Communication Technology (ICT) applications to help shape a limitless future.

Headquartered in Tokyo Japan, Renesas has approximately 19,000 employees with 14 manufacturing sites and 38 sales offices operating in more than 20 countries worldwide. For the financial year ended 31 December 2019, Renesas' revenue was 718.2 billion yen. Renesas' shares are quoted on the Tokyo Stock Exchange, and as at the Latest Practicable Date, the company had a market capitalization of approximately 2,161 billion yen.

7. Information on Dialog

Dialog is an innovative provider of integrated circuits (ICs) that power mobile devices, consumer Internet of Things and Industry 4.0. Dialog's technologies include battery and power management, AC/DC power conversion, custom mixed-signal ICs, Bluetooth low energy ICs and low-power Wi-Fi, and non-volatile flash memory. Dialog's solutions are integral to some of today's leading mobile devices and the enabling element for increasing performance and productivity on the go. From making smartphones more power efficient and shortening charging times, enabling home appliances to be controlled from anywhere to connecting the next generation of wearable devices, Dialog's decades of experience and world-class innovation help manufacturers get to what's next.

Dialog operates a fabless business model and is a socially responsible employer pursuing many programs to benefit the employees, community, other stakeholders and the environment it operates in. Dialog's power saving technologies deliver high efficiency and enhance the consumer's user experience by extending battery lifetime and enabling faster charging of their portable devices.

Dialog is headquartered in the United Kingdom with a global sales, R&D and marketing organisation. It currently has approximately 2,300 employees worldwide and for the year ending 31 December 2019, Dialog reported revenue of US\$1.42 billion and underlying operating profit of US\$324 million. Dialog is listed on the Frankfurt Stock Exchange with a market capitalisation of €4,000 million as of 5 February 2021 (being the Latest Practicable Date).

8. Strategic plans and intentions with regard to Dialog's business

As part of its long-term global strategy, Renesas intends to leverage Dialog's expertise in designing high-performance analog and mixed-signal semiconductor devices and its strong customer relationships into a center of excellence of the Combined Group, focused on innovation and development in Europe and the United States.

The Renesas Board believes that there is a strong strategic fit between Dialog's business and Renesas' business. Dialog's product offerings and technological assets are highly complementary to Renesas' existing portfolio and the scale of the combined portfolios will enable the Combined Group to deliver better and more comprehensive solutions for various markets and applications.

Prior to this Announcement, consistent with market practice, Renesas has been granted access to Dialog's senior management team for the purpose of undertaking confirmatory due diligence into Dialog's business and operations. This has enabled Renesas to develop a preliminary strategy for the combined business, however it has not yet had access to sufficiently detailed information to formulate detailed plans or intentions regarding the impact of the Acquisition on Dialog.

Upon completion of the Acquisition, Renesas will initiate a detailed review of the operations of Dialog to assess how Dialog's business, product offerings and technologies can be integrated with the Renesas business most effectively and efficiently. The scope of this review will include an evaluation of business expansion opportunities (including by application, customer, region and channels), establishment of preliminary ideas for joint development programs and embedded solution offerings, a review of supply chain modelling and an analysis of duplicated areas and functions where Renesas may be able to streamline and implement 'best in class' practices in the Combined Group. Renesas expects to complete the review within three to six months of completion of the Acquisition.

Renesas expects the Acquisition to give rise to operational economies of scale and commercial synergy opportunities. These would include, in addition to joint product development, cross-selling opportunities, supply chain, manufacturing and R&D efficiencies and the potential rationalisation of overlapping functions and locations.

Research and development

The Renesas Board believes the combination of Dialog's strong R&D capabilities for analog and mixed-signal products with Renesas' existing R&D capabilities mainly for digital signal processing products will enable the Combined Group to accelerate innovation to offer a wide range of high performing electronic systems and solutions for the benefit of customers around the world.

The Renesas Board believes that it is important for the long-term success of the Combined Group to continue to develop innovative and competitive products and intends to continue to invest in research and development following completion of the Acquisition.

Following completion of the Acquisition, Renesas will perform a full review of Dialog's R&D functions. This may lead to the identification of business areas where investment can be increased or a product development roadmap be accelerated or prioritised, and/or it may lead to the identification of certain areas of similar research and development, where operational efficiencies can be achieved across combined R&D functions working on combined R&D projects. Based on preliminary diligence, whilst Renesas anticipates R&D savings, it does not expect the Acquisition to result in a material impact on the research and development functions of either Dialog or Renesas.

Employees and management

Renesas attaches tremendous importance to the skill, knowledge and expertise of Dialog's employees and management and recognises their important contribution to Dialog's success.

Renesas confirms that following completion of the Acquisition, the existing contractual and statutory employment rights of Dialog's employees will be fully observed in accordance with applicable law. Furthermore, until 31 December 2022, Renesas will maintain base salary or wage rates and cash allowances, provide substantially comparable cash incentive compensation and long-term incentive compensation opportunities, and provide a benefits package which is at least substantially comparable in the aggregate to existing benefits arrangements.

Following completion of the Acquisition, Renesas intends to carry out a detailed review of Dialog's business and operations, to identify any areas of duplication or overlap and to optimize the structure of the merged business units of the Combined Group in order to achieve the anticipated benefits of the Acquisition. In identifying any areas of duplication or overlap, Renesas expects to review the merged business units of the Combined Group as a whole, and implement the best practices which Renesas and Dialog can learn from each other. Based on its experience from previous acquisitions, Renesas expects the Acquisition to result in limited headcount reductions across the Combined Group, with no more than a single digit percentage headcount reduction impacting the Dialog business. From its initial analysis, Renesas expects the majority of these synergies to be in the sales, general and administrative business functions of the Combined Group, although a greater proportion are likely to be in Dialog's head office, corporate and support functions which overlap with Renesas' existing functions. Renesas also expects to streamline the management structure where there is overlap in title and function across the Combined Group.

Renesas will only develop and implement such proposals once the detailed review and integration planning referred to above has been completed and discussions have been undertaken with the people concerned. Dialog will assist with integration planning, as appropriate. The finalisation and implementation of any workforce reductions and, where applicable, other impacts of such proposals on Dialog's employees (including for example, the impact on daily commute), will be subject to comprehensive planning, appropriate engagement with relevant stakeholders (including affected employees), and consultation with employees and employee representatives, if required by applicable local law. Where any employee of Dialog is made redundant (or similar concept under applicable law) prior to the earlier of the first anniversary of completion of the Acquisition and 31 December 2022, Renesas agrees to apply Dialog's existing severance arrangements and thereafter to offer severance terms that are at least as good as Renesas' severance practices in the relevant countries.

Renesas does not intend to make any material changes to the balance of skills and functions of employees and management of the Combined Group.

It is intended that, upon completion of the Acquisition, each of the non-executive Dialog Directors will resign.

Headquarters, locations and fixed assets

Renesas intends to maintain Dialog's corporate headquarters in Reading and its head office functions, subject to the changes identified above with respect to those head office, corporate and support functions which overlap with Renesas' existing functions. Upon completion of the Acquisition, Renesas will perform a full review of all of Dialog's sites, offices and places of business. Where overlap and duplication are identified, locations of business may be consolidated or repurposed to allow for better amalgamation of Dialog and Renesas into the Combined Group and to facilitate the integration of Renesas employees and Dialog employees. Beyond the potential changes identified above in connection with the review of locations of business, Renesas does not intend to redeploy any material fixed assets of Dialog.

Pension schemes

Renesas recognises the importance of Dialog's pension obligations and of ensuring that employees' existing contractual and statutory rights regarding pensions are fully safeguarded in accordance with applicable local laws. The Renesas Board does not intend to make any changes with regard to employer contributions into Dialog's existing pension schemes or the accrual of benefits to existing members or the admission of new members to such pension schemes. Renesas intends that following completion of the Acquisition, Dialog will continue to comply with its existing defined benefit pensions obligations, including commitments to make any previously agreed deficit contributions and contractually required contributions.

Following completion of the Acquisition, Renesas intends to review and evaluate Dialog's existing defined contribution pension schemes and its defined benefit pension plan in South Korea and, after consideration of possible options, including local standards, policies and practices of both Dialog and Renesas, may integrate with Renesas' pension schemes at the local level. Until such integration occurs, Renesas intends to maintain Dialog's existing pension schemes (including the defined benefit pension plan in South Korea) in accordance with applicable law and existing contractual terms.

Retention arrangements

Renesas attaches great importance to the skill and experience of Dialog's management and employees and wishes to ensure strong business momentum through employee retention.

Renesas believes that Dialog's employees will benefit from enhanced career and opportunities as part of the larger business platform. Renesas acknowledges that Dialog intends to put in place cash retention and incentivisation arrangements for certain key employees (excluding Dialog's executive director) following this Announcement.

Renesas intends to review the management, governance and incentive structure of Dialog, and separate proposals regarding incentivisation arrangements for certain management and key employees of Dialog may be considered as part of such review. Renesas may put such incentivisation arrangements in place following completion of the Acquisition; however, as at the date of this Announcement, Renesas has not entered into and has not had discussions on proposals to enter into, any new incentivisation arrangements with members of Dialog's management or any of its employees.

Existing trading facilities

Dialog Shares are currently listed on the Frankfurt Stock Exchange. As further detailed in paragraph 12 (*De-listing and re-registration of Dialog as a private limited company*), a request will be made by Dialog to the FSE to cancel trading in Dialog Shares on its open market to take effect on, or shortly after, the Effective Date and the FSE will be requested to cancel the listing of the Dialog Shares from the FSE's regulated market on, or shortly after, the Effective Date.

No statements in this paragraph 8 (*Strategic plans and intentions with regard to Dialog's business*) constitute "post-offer undertakings" for the purposes of Rule 19.5 of the Takeover Code.

Views of the Dialog Board

In considering the recommendation of the Acquisition to Dialog Shareholders, the Dialog Directors have given due consideration to the assurances given to employees within the Dialog Group including the arrangements outlined in the Co-operation Agreement. The Dialog Board welcomes Renesas' intentions with respect to the future operations of the business and its employees, in particular, the commitments made in relation to pay (including bonus and long term incentives) and benefits in the period to 31 December 2022. The Dialog Board also notes that Renesas has agreed to honour any change of control agreements with Dialog employees.

The Dialog Board notes that Renesas expects the Acquisition to result in limited headcount reductions across the Combined Group, with no more than a single digit percentage headcount reduction impacting the Dialog business. The Dialog Board notes that in connection with any headcount reduction Renesas has agreed that where any Dialog employees becomes redundant before 31 December 2022 (or, if earlier, the first anniversary of completion of the Acquisition), it will honour the severance practices of Dialog and thereafter will offer severance terms that are at least as good as Renesas' severance practices in the relevant countries.

9. Financing of the Acquisition

Renesas intends to finance the cash consideration payable to the Dialog Shareholders pursuant to the Acquisition from third party debt as described below.

Renesas has entered into the Bridge Facility Agreement dated 8 February 2021 with MUFG Bank, Ltd. and Mizuho Bank, Ltd. for ¥735.4 billion, the proceeds of which will be used to fund the cash consideration payable to Dialog Shareholders in connection with the Acquisition. Given that the third party debt is denominated in JPY and the cash consideration payable to Dialog Shareholders in connection with the Acquisition is to be denominated in EUR, Renesas has specific measures in place to mitigate against JPY/EUR currency fluctuations between the date of the Bridge Facility Agreement and the time of payment of the cash consideration. It is currently contemplated that the commitments and/or amounts outstanding under the Bridge Facility Agreement will be reduced or refinanced with long-term debt or equity.

Nomura, in its capacity as financial adviser to Renesas, is satisfied that sufficient resources are available to Renesas to enable it to satisfy in full the cash consideration payable to Dialog Shareholders under the terms of the Acquisition.

Further information on the financing of the Acquisition will be set out in the Scheme Document.

10. Structure of and Conditions to the Acquisition

It is intended that the Acquisition will be effected by means of a Court-sanctioned scheme of arrangement between Dialog and Dialog Shareholders under Part 26 of the Companies Act.

The purpose of the Scheme is to provide for Renesas to become the holder of the entire issued and to be issued ordinary share capital of Dialog. This is to be achieved by the transfer of the Dialog Shares to Renesas, in consideration for which the Dialog Shareholders who are on the register of members at the Scheme Record Time shall receive cash consideration on the basis set out in this Announcement in paragraph 2 (*The Acquisition*) above.

The Acquisition shall be subject to the Conditions and further terms set out below and in Appendix 1 of this Announcement and to be set out in the Scheme Document. To become Effective, the Scheme requires, among other things, the following events to occur on or before the Long Stop Date, provided however that the Long Stop Date may be extended to a later date agreed between Dialog and Renesas (with the Takeover Panel's consent and as the Court may approve (if such approval(s) are required)):

- the approval of a majority in number of the Scheme Shareholders present and voting in person or by proxy at the Court Meeting, representing not less than 75 per cent. in value of the Scheme Shares held by such Scheme Shareholders;
- the passing by the Dialog Shareholders of the Resolutions necessary to implement the Scheme at the Dialog General Meeting;

- certain competition and regulatory approvals (including, *inter alia*, Germany, the People's Republic of China, Taiwan and the United States);
- the sanction of the Court (with or without modification but subject to any modification being on terms acceptable to Renesas and Dialog); and
- the delivery of a copy of the Court Order to the Registrar of Companies.

The Scheme shall lapse if:

- the Court Meeting and the General Meeting are not held on or before the 22nd day after the expected date for such meetings to be set out in the Scheme Document (or such later date as may be agreed by Dialog and Renesas and, if needed, the Court may allow);
- the Court Hearing is not held on or before the 22nd day after the expected date for such hearing to be set out in the Scheme Document (or such later date as may be agreed by Dialog and Renesas); or
- the Scheme does not become effective by the Long Stop Date,

provided, however, that the deadlines for the timing of the Court Meeting, the General Meeting and the Court Hearing as set out above may be waived by Renesas and the deadline for the Scheme to become effective may be extended by agreement between Renesas and Dialog.

The Scheme can only become Effective in accordance with its terms if all the Conditions set out in Appendix 1 of this Announcement have been satisfied or, where relevant, waived.

Under the terms of the Scheme, the Scheme Shares being acquired will be fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature whatsoever (except for any arising by operation of law) and together with all rights attaching or accruing to them, including voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid on or after the Effective Date.

Upon the Scheme becoming effective, it shall be binding on all Dialog Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the Dialog General Meeting.

Further details of the Scheme, including an indicative timetable for its implementation and notices of the Court Meeting and the Dialog General Meeting, will be set out in the Scheme Document, which will also specify the action to be taken by Dialog Shareholders. It is expected that the Scheme Document will be published as soon as practicable, but in any event by no later than 28 days from the date of this Announcement. Subject, among other things, to the satisfaction or waiver of the Conditions, it is expected that the Scheme will become Effective in the second half of 2021.

The Scheme will be governed by English law and will be subject to the jurisdiction of the Court. The Scheme will also be subject to the applicable requirements of the Takeover Code.

11. Dialog Share Plans

Participants in the Dialog Share Plans will be contacted regarding the effect of the Acquisition on their options and awards under the Dialog Share Plans. Renesas will make appropriate proposals in due course to such participants. Further details of the terms of such proposals shall be included in the Scheme Document.

12. De-listing and re-registration of Dialog as a private limited company

On completion of the Acquisition, Dialog will become a wholly owned subsidiary of Renesas.

Prior to the Scheme becoming Effective, a request will be made by Dialog to the Frankfurt Stock Exchange (FSE) to cancel trading in Dialog Shares on its open market to take effect on, or shortly after, the Effective Date and the FSE will be requested to cancel the listing of the Dialog Shares from the FSE's regulated market on, or shortly after, the Effective Date. The last day of dealings in, and registration of transfers of, the Dialog Shares (other than the registration of the transfer of the Scheme Shares to Renesas pursuant to the Scheme) on the FSE is expected to be the last Business Day prior to the Effective Date and no transfers shall be registered after on the close of trading on that date.

Share certificates in respect of the Dialog Shares will cease to be valid and should be destroyed following the Effective Date. It is also intended that shortly after the Effective Date, Dialog will be re-registered as a private limited company under the relevant provisions of the Companies Act.

13. Offer-related arrangements

Confidentiality agreement

Renesas and Dialog have entered into a mutual Confidentiality Agreement dated 20 January 2021 pursuant to which each of Renesas and Dialog has undertaken, among other things, to keep confidential information relating to the other party and not to disclose it to third parties (other than to permitted disclosees) unless required by law or regulation.

This agreement also contains undertakings from Renesas that for a period of 12 months, subject to certain exceptions, Renesas will not solicit or employ any person employed by the Dialog Group who participated in negotiations concerning the Acquisition or holds an executive or managerial position in the Dialog Group.

Confidentiality and Joint Defense Agreement

Renesas, Dialog and their respective legal counsels have also entered into a Confidentiality and Joint Defense Agreement dated 28 January 2021, the purpose of which is to ensure that the exchange and/or disclosure of certain materials relating to the parties and in relation to, in particular, the anti-trust workstream only takes place between their respective legal counsels and external experts, and does not diminish in any way the confidentiality of such materials and does not result in a waiver of any privilege, right or immunity that might otherwise be available.

Clean Team Confidentiality Agreement

Renesas and Dialog have entered into a Clean Team Confidentiality Agreement dated 28 January 2021, which sets out how any confidential information that is competitively sensitive can be disclosed, used or shared for the purposes of due diligence, synergies evaluation, planning and integration and antitrust/regulatory analysis and communications with antitrust/regulatory authorities. Such commercially sensitive information must only be made available to the party receiving information through designated persons removed from day-to-day commercial/strategic operations and decisions in competing business segments and external professional advisers. The conclusions/findings of such designated persons and the external advisers may only be reported for the specified purposes and provided that report does not disclose such sensitive confidential information or enable the recipient to deduce such information.

Co-operation Agreement

Renesas and Dialog have entered into a Co-operation Agreement dated 8 February 2021, pursuant to which:

- Renesas has agreed to certain undertakings in connection with securing the regulatory clearances and authorisations necessary to satisfy the Conditions set out in paragraphs 2(a) to (k) (inclusive) of Part A of Appendix 1 to this Announcement, as promptly as reasonably practicable; and
- Renesas and Dialog have agreed to certain undertakings to co-operate in relation to such regulatory clearances and authorisations.

The Co-operation Agreement also contains provisions that shall apply in respect of the Dialog Share Plans and certain other arrangements regarding employment matters and employee incentives.

The Co-operation Agreement can be terminated, *inter alia*, if: (i) Renesas and Dialog so agree in writing; (ii) the Acquisition, with the permission of the Takeover Panel (where required), is withdrawn, terminated or lapses in accordance with its terms (other than in certain limited circumstances); (iii) the Dialog Board announces that it shall not convene the Dialog General Meeting or the Court Meeting or that it does not intend to publish the Scheme Document; (iv) the Dialog Board announces that it no longer intends to recommend the Acquisition to Dialog Shareholders or otherwise modifies or qualifies its recommendation in a manner adverse to the completion of the Acquisition; (v) prior to the Long Stop Date, a third party competing proposal for Dialog is completed, becomes effective or otherwise is declared or becomes unconditional in all respects; (vi) any Condition is invoked by Renesas prior to the Long Stop Date (where such invocation has been specifically permitted by the Takeover Panel); (vii) after the Scheme has been approved by Dialog Shareholders, the Dialog Board announces that it will not implement the Scheme (other than in connection with a Takeover Offer by Renesas) or a third party announces a competing proposal under the Takeover Code that is recommended by the Dialog Board; or (viii) unless otherwise agreed by Renesas and Dialog in writing or required by the Takeover Panel, if the Effective Date has not occurred by the Long Stop Date.

14. Disclosure of interests in Dialog relevant securities

Save for the irrevocable undertakings referred to in Appendix 3, as at the close of business on 5 February 2021 (being the Latest Practicable Date), neither Renesas nor any Renesas Director, nor, so far as Renesas is aware, any person acting in concert with Renesas for the purposes of the Acquisition, had any interest in, right to subscribe for, or had borrowed or lent any Dialog Shares or securities convertible or exchangeable into Dialog Shares, nor did any such person have any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to take delivery, or any dealing arrangement of the kind referred to in Note 11 of the definition of 'acting in concert' in the Takeover Code, in relation to Dialog Shares or in relation to any securities convertible or exchangeable into Dialog Shares.

Furthermore, save for the irrevocable undertakings described in Appendix 3 above, no arrangement exists between Renesas or Dialog, or a person acting in concert with Renesas or Dialog, in relation to Dialog Shares. For these purposes, an "arrangement" includes any indemnity or option arrangement, any agreement or any understanding, formal or informal, of whatever nature, relating to Dialog Shares which may be an inducement to deal or refrain from dealing in such securities.

In light of confidentiality considerations, Renesas has not made enquiries of all persons who may be presumed by the Takeover Panel to be acting in concert with it for the purposes of the Acquisition. Renesas confirms that any further necessary disclosures in accordance with Rule 8.1(a) and Note 2(a)(i) on Rule 8 will be made as soon as possible, to the extent required.

15. Consent of financial advisers

Each of Nomura, J.P. Morgan Cazenove and Qatalyst Partners has given and not withdrawn its consent to the publication of this Announcement with the inclusion in it of the references to its name in the form and context in which it appears.

16. Documents available on website

Copies of the following documents will be made available on Renesas' website at <https://www.renesas.com/us/en/about/investor-relations/offer-for-dialog> and on Dialog's website at www.dialog-semiconductor.com/acquisition until the Effective Date or the date the Scheme lapses or is withdrawn, whichever is the earlier:

- a copy of this Announcement;
- the irrevocable undertakings from the Dialog Directors summarised in Appendix 3 to this Announcement;
- the Bridge Facility Agreement and other documents relating to the financing of the Acquisition as described in paragraph 0 (*Financing of the Acquisition*);
- the Confidentiality Agreement;
- the Confidentiality and Joint Defense Agreement;
- the Clean Team Confidentiality Agreement;
- the Co-operation Agreement; and
- the written consents provided by Nomura, J.P. Morgan Cazenove and Qatalyst Partners referred to in paragraph 15 (*Consent of financial advisers*) above.

Neither the contents of Renesas' nor Dialog's websites, nor the content of any other website accessible from hyperlinks on such websites, is incorporated into or forms part of this Announcement.

Enquiries:

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Covington & Burling LLP is acting as legal adviser to Renesas and Linklaters LLP is acting as legal adviser to Dialog.

Important Notice

*Nomura International plc (“**Nomura**”), which is authorised by the Prudential Regulation Authority and regulated by Prudential Regulation Authority and the Financial Conduct Authority in the United Kingdom, is acting as financial adviser exclusively to Renesas and no one else in connection with the Acquisition and this Announcement and Nomura, its affiliates and its respective officers, employees, agents, representatives and/or associates will not regard any other person as their client, nor will they be responsible to anyone other than Renesas for providing the protections afforded to clients of Nomura nor for providing advice in relation to the matters in the Acquisition, this Announcement or any matter referred to herein. Neither Nomura nor any of its subsidiaries, branches or affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Nomura in connection with the Acquisition, this Announcement or any matter referred to herein.*

*J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove, (“**J.P. Morgan Cazenove**”) and which is authorised in the United Kingdom by the Prudential Regulation Authority and regulated in the United Kingdom by the Prudential Regulation Authority and the Financial Conduct Authority, is acting exclusively as financial adviser to Dialog and no one else in connection with the matters set out in this Announcement and will not regard any other person as its client in relation to the Acquisition and shall not be responsible to anyone other than Dialog for providing the protections afforded to clients of J.P. Morgan Cazenove, nor for providing advice in connection with the Acquisition or any matter referred to herein.*

*Qatalyst Partners Limited (“**Qatalyst Partners**”), which is authorised in the United Kingdom by the Financial Conduct Authority, is acting exclusively as financial adviser to Dialog and no one else in connection with the matters set out in this Announcement and will not regard any other person as its client in relation to the Acquisition and shall not be responsible to anyone other than Dialog for providing the protections afforded to clients of Qatalyst Partners or for providing advice in connection with the Acquisition or any matter referred to herein.*

Further information

The Announcement is made pursuant to Rule 2.7 of the Takeover Code and is provided for information purposes only. It is not intended to, and does not constitute, nor form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, exchange, sell or otherwise dispose of, any securities, or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise nor will there be any sale, issuance, exchange or transfer of securities of Renesas or Dialog in any jurisdiction in contravention of applicable law.

The Acquisition will be made solely pursuant to the terms of the Scheme Document which will contain the full terms and conditions of the Acquisition, including details of how Dialog Shareholders may vote

in respect of the Acquisition. Any decision in respect of the Scheme or the Acquisition by Dialog Shareholders should be made only on the basis of the information contained in the Scheme Document. Dialog Shareholders are advised to read the Scheme Document carefully once these become available because they will contain important information in relation to the Acquisition and the Combined Group. The Scheme Document will be posted to Dialog Shareholders within 28 days of the date of this Announcement unless Renesas and Dialog agree otherwise, and the Takeover Panel consents, to a later date.

This Announcement does not constitute a prospectus or prospectus exempted document.

If you are in any doubt about the contents of this Announcement, or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

Restricted Jurisdictions

The release, publication or distribution of this Announcement in jurisdictions other than the United Kingdom, Germany or Japan may be restricted by the laws and regulations of those jurisdictions and therefore any persons who are not resident in the United Kingdom, Germany or Japan should inform themselves about, and observe, any such restrictions. Any failure to comply with the applicable requirements may constitute a violation of the securities laws of any such jurisdiction. In particular, the ability of persons who are not resident in the United Kingdom, Germany or Japan to participate in the Acquisition may be affected by the laws of the relevant jurisdictions in which they are located. To the fullest extent permitted by applicable law, the companies and other persons involved in the Acquisition disclaim any responsibility or liability for any violation of such restrictions by any person.

This Announcement has been prepared for the purposes of complying with applicable English law and will be subject to the applicable requirements of the Takeover Code and the Takeover Panel. The information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside England and Wales.

Unless otherwise determined by Renesas or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction, if to do so would constitute a violation of that jurisdiction. Accordingly, copies of this Announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction, where to do so would violate the laws in that jurisdiction, and persons receiving this Announcement and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from Restricted Jurisdictions, where to do so would violate the laws and regulations in that jurisdiction.

Further details in relation to Dialog Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom, Germany or Japan will be contained in the Scheme Document.

Additional information for US investors in Dialog

The Acquisition relates to shares of a company incorporated under the laws of England and Wales and is being made by means of a scheme of arrangement provided for under Part 26 of the

Companies Act. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of the US tender offer and proxy solicitation rules. This Announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities. If, in the future, Renesas exercises the right to implement the Acquisition by way of a Takeover Offer and determines to extend the offer into the United States, such offer will be made in compliance with applicable US laws and regulations, including any applicable exemptions under the US Exchange Act. Financial information included in this Announcement and the Scheme Documentation has been or will have been prepared in accordance with accounting standards applicable in the United Kingdom that may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with US GAAP.

The receipt of consideration by a US holder for the transfer of its Dialog Shares pursuant to the Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each Dialog Shareholder is urged to consult his or her independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to him or her.

It may be difficult for US holders of Dialog Shares to enforce their rights and any claim arising out of the US federal laws, since Renesas and Dialog are located primarily in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of Dialog Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to the jurisdiction and judgment of a US court.

Neither the U.S. Securities and Exchange Commission nor any securities commission of any state of the United States has reviewed, approved or disapproved this Announcement or the Acquisition, nor have such authorities passed upon or determined the fairness of the Acquisition or the adequacy or accuracy of the information contained in this Announcement. Any representation to the contrary is a criminal offence in the United States.

Cautionary note regarding forward-looking statements

The Announcement may contain certain statements that are, or may be deemed to be, forward-looking statements with respect to the financial condition, results of operations and business of Dialog and/or Renesas and/or the Combined Group and certain plans and objectives of Dialog and/or Renesas and/or the Combined Group with respect thereto. These forward-looking statements can be identified by the fact that they do not relate to historical or current facts. Forward-looking statements also often use words such as ‘anticipate’, ‘target’, ‘continue’, ‘estimate’, ‘expect’, ‘forecast’, ‘intend’, ‘may’, ‘plan’, ‘goal’, ‘believe’, ‘hope’, ‘aims’, ‘continue’, ‘could’, ‘project’, ‘should’, ‘will’ or other words of similar meaning. These statements are based on assumptions and assessments made by Dialog and/or Renesas (as applicable) in light of their experience and perception of historical trends, current conditions, future developments and other factors they believe appropriate. By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this Announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Although it is believed that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will provide to be correct and you are therefore cautioned not to place undue reliance on these forward-looking statements which speak only as at the date of this Announcement.

Forward-looking statements are not guarantees of future performance. Such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this Announcement. Neither Dialog nor Renesas undertakes any obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise, except as required by the Takeover Panel, the Takeover Code or by applicable law.

There are several factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are changes in the global, political, economic, business and competitive environments, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions prove incorrect, actual results may differ materially from those expected, estimated or projected. Such forward looking statements should therefore be construed in the light of such factors.

No member of the Renesas Group or the Dialog Group nor any of their respective associates, directors, officers, employers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Announcement will actually occur.

Except as expressly provided in this Announcement, no forward-looking or other statements have been reviewed by the auditors of the Renesas Group or the Dialog Group. All subsequent oral or written forward-looking statements attributable to any member of the Renesas Group or the Dialog Group, or any of their respective associates, directors, officers, employers or advisers, are expressly qualified in their entirety by the cautionary statement above.

Disclosure of share interests and dealings

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified.

An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period or the announcement in which any securities exchange offeror is first identified. If a person required to make an Opening Position Disclosure under Rule 8.3(a) deals in the relevant securities of the offeree company or of a securities exchange offeror before midnight on the day before the Opening Position Disclosure deadline, he must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror during an offer period. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe

for, any relevant securities of each of (a) the offeree company and (b) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8 of the Takeover Code. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of: (i) the offeree company; and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) of the Takeover Code applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3 of the Takeover Code.

Opening Position Disclosures must be made by the offeree company and also by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4 of the Takeover Code).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced, and when any offeror was first identified and when the Rule 2.6 (28-day 'put up or shut up') deadline is. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Takeover Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

Electronic communications

Please be aware that addresses, electronic addresses and certain other information provided by Dialog Shareholders, persons with information rights and other relevant persons in connection with the receipt of communications from Dialog may be provided to Renesas during the offer Period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11 of the Takeover Code.

Publication on websites

This Announcement and the other documents required to be published pursuant to Rule 26.1 of the Takeover Code will be made available free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Renesas' website at <https://www.renesas.com/us/en/about/investor-relations/offer-for-dialog> and on Dialog's website at www.dialog-semiconductor.com/acquisition by no later than 12 noon (London time) on 9 February 2021, up to and including the end of the Acquisition. For the avoidance of doubt, the contents of these websites are not incorporated into and do not form part of this Announcement.

Availability of hard copies of this Announcement

In accordance with Rule 30.3 of the Takeover Code, a person so entitled may request a hard copy of this Announcement by contacting FTI Consulting by email to dialog@fticonsulting.com or on + 44 203 727 1000 or by submitting a request in writing to Dialog Semiconductor Plc, c/o FTI Consulting, 200 Aldersgate, Aldersgate Street, London, EC1A 4HD. Dialog Shareholders may also request that all

future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form. If you have received this Announcement in electronic form, copies of this Announcement and any document or information required to be incorporated by reference into this Announcement will not be provided unless such a request is made.

Number of Dialog shares in issue

In accordance with Rule 2.9 of the Takeover Code, Dialog confirms that, as of today's date, it has in issue 71,268,687 ordinary shares of £0.10 each (excluding Dialog Shares held in treasury). The International Securities Identification Number (ISIN) of Dialog's ordinary shares, which are admitted to trading on the Frankfurt Stock Exchange is GB0059822006.

Time

All times shown in this Announcement are London times, unless otherwise stated.

Rounding

Certain figures included in this Announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

APPENDIX 1
CONDITIONS AND CERTAIN FURTHER TERMS OF THE ACQUISITION

Part A: Conditions to the Scheme and the Acquisition

The Acquisition shall be conditional upon the Scheme becoming unconditional and effective, subject to the Takeover Code, by no later than the Long Stop Date.

1. The Scheme shall be subject to the following conditions:
 - (a)
 - (i) its approval by a majority in number of Scheme Shareholders who are present and vote (and who are entitled to vote), whether in person or by proxy, at the Court Meeting and who represent not less than 75 per cent. in value of the Scheme Shares voted by those Scheme Shareholders; and
 - (ii) the Court Meeting being held on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document (or such later date as may be agreed by Dialog and Renesas and as the Court may allow);
 - (b)
 - (i) the Resolutions being duly passed by the requisite majority at the Dialog General Meeting; and
 - (ii) the Dialog General Meeting being held on or before the 22nd day after the expected date of the Dialog General Meeting to be set out in the Scheme Document (or such later date as may be agreed by Dialog and Renesas and as the Court may allow);
 - (c)
 - (i) the sanction of the Scheme by the Court (with or without modification, but subject to any such modification being on terms reasonably acceptable to Dialog and Renesas); and
 - (ii) the Court Sanction Hearing being held on or before the 22nd day after the expected date of the Court Sanction Hearing to be set out in the Scheme Document (or such later date as may be agreed by Dialog and Renesas and as the Court may allow); and
 - (d) the delivery of a copy of the Court Order to the Registrar of Companies.
2. In addition, subject as stated in Part B below and to the requirements of the Takeover Panel, the Acquisition shall be conditional upon the following Conditions and, accordingly, the Court Order shall not be delivered to the Registrar of Companies unless such Conditions (as amended, if appropriate) have been satisfied or, where relevant, waived:

Merger control and foreign investment conditions

Germany

- (a) notification having been received from the German Federal Cartel Office (FCO) that, with respect to the Acquisition, the requirements for the prohibition of a merger set out in Section 36(1) GWB (*Gesetz gegen Wettbewerbsbeschränkungen*, Act against Restraints of Competition) are not fulfilled, or notification not having been received from the FCO within one month of receipt of a completed filing that it intends to open an investigation (Section 40(1) GWB), or the FCO not having delivered a decision

pursuant to Section 40(2)(1) GWB within the period defined in Section 40(2) GWB, or the FCO having cleared the Acquisition within the period defined in Section 40(2) GWB, or the FCO having declared in writing that the Acquisition does not fall within the scope of the German merger control regime;

- (b) following notification to the German Ministry of Economics and Energy (*Bundesministerium für Wirtschaft und Energie* - “**BMWi**”); (i) the Acquisition having been cleared by the BMWi under the current or amended provisions of the German Foreign Trade and Payments Act (*Außenwirtschaftsgesetz* - “**AWG**”) and the Foreign Trade and Payments Ordinance (*Außenwirtschaftsverordnung* - “**AWV**”) as applicable to the Acquisition; (ii) a certificate of non-objection having been granted; (iii) the applicable review periods having expired or elapsed without the BMWi having delivered a decision under the current or amended provisions of the AWG and the AWV; or (iv) the BMWi having declared in writing that the Acquisition does not fall within the scope of the German foreign investment regime stipulated in the AWG and AWV;

People’s Republic of China

- (c) (i) notification having been accepted by the State Administration for Market Regulation (“**SAMR**”) pursuant to the Anti-Monopoly Law of the People’s Republic of China (“**Anti-Monopoly Law**”), and (ii) SAMR having cleared the Acquisition for purposes of the Anti-Monopoly Law or SAMR having failed to make a written decision within the period of time defined in Article 25 and Article 26 of the Anti-Monopoly Law;
- (d) any other Relevant Authority in the People’s Republic of China that has commenced consideration of, or has been requested in writing to consider, the Acquisition after the date of this Announcement (including but not limited to, following a reference of, or recommendation to consider, the Acquisition by SAMR), having cleared the Acquisition;

South Korea

- (e) if, in the reasonable opinion of Dialog, approval from the Korean Ministry of Trade, Industry and Energy (“**MOTIE**”) is required for the Acquisition (or any matter arising from or related to the Acquisition), and the corresponding filing(s) has/have been made, receipt of either: (i) a copy of the letter issued by MOTIE that the Company does not own any technology that can be deemed as a national core technology (“**NCT**”) (as defined under the Act on Prevention of Leakage and Protection of Industrial Technology); or (ii) in the event MOTIE determines that the Company owns NCT, a copy of a clearance letter approving the consummation of the transactions contemplated hereby or the applicable review period having expired or lapsed;

Taiwan

- (f) the Taiwan Fair Trade Commission (“**TFTC**”) having made no objection to the Acquisition during the 30 day waiting period (or plus an additional up to 60 day waiting period if so extended by the TFTC) after its receipt of a complete combination notification from Renesas pursuant to Article 11 of the Fair Trade Act of Taiwan;

United Kingdom

- (g) if:
 - (i) a public interest intervention notice relating to the Acquisition is issued under Section 42(2) of the Enterprise Act 2002 (“**EA**”), a UK Secretary of State having taken a decision to approve the Acquisition (by a decision not to make a reference under Section 45 EA or otherwise); or
 - (ii) any new or amended national security, public interest or foreign investment laws, rules or regulations (including the proposed National Security and Investment Bill) become effective in the United Kingdom after the date of this

Announcement that make it legally required to notify the Acquisition, either (i) the Relevant Authority indicating that it has determined to approve the Acquisition or (ii) all applicable review periods having expired or elapsed;

United States

- (h) all necessary notifications and filings having been made pursuant to the US Hart-Scott-Rodino Antitrust Improvements Act of 1976 (as amended) and the rules and regulations promulgated thereunder; and all applicable waiting periods (including any extensions thereof) relating to the Acquisition have expired, lapsed or been terminated; and no judgment, order or injunction having been made by a court of competent jurisdiction in the United States that prohibits the consummation of the Acquisition;
- (i) in the event that the parties have filed a joint voluntary notice with the Committee on Foreign Investment in the United States (and each member agency thereof, acting in such capacity) (“**CFIUS**”) pursuant to 31 C.F.R. § 800.501 in relation to the Acquisition, that (i) CFIUS has issued a written notice to the parties that it has concluded all action pursuant to section 721 of the United States Defense Production Act of 1950, as amended and codified at 50 U.S.C. Section 4565 and has determined that there are no unresolved national security concerns with respect to Acquisition; or (ii) CFIUS has sent a report to the President of the United States (the “**President**”) requesting the President’s decision and either (A) the President has announced a decision not to take any action to suspend or prohibit the Acquisition or (B) the President has not taken any action within 15 days from the earlier of the date CFIUS completed its investigation of the Acquisition or the date CFIUS sent its report to the President;

Notifications, filings and authorisations

- (j) and other than in relation to matters referred to in the Conditions set out in paragraphs 2(a) to (i) above and except as may be required pursuant to any acquisition of shares, other securities (or the equivalent) or interest in, or control or management of, Dialog pursuant to Chapter 3 of Part 28 of the Companies Act:
 - (i) all material notifications, filings or applications which are necessary in connection with the Acquisition having been made;
 - (ii) all necessary waiting and other time periods (including any extensions thereof) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated in respect of any such notifications, filings or applications specified in paragraph 2(j)(i) above;
 - (iii) all material statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Acquisition;
 - (iv) all Authorisations necessary in any jurisdiction for or in respect of the Acquisition **or** the acquisition or proposed acquisition of any shares, other securities (or the equivalent) or interest in, any member of the Wider Dialog Group having been obtained from any Relevant Authority;
 - (v) all such Authorisations necessary for any member of the Wider Dialog Group or of the Wider Renesas Group to carry on any business now carried on by it having been obtained from any Relevant Authority; and
 - (vi) all such Authorisations referred to in paragraphs 2(j)(iv) and (v) remaining in full force and effect, and no notice having been given or threatened to revoke, suspend or not renew any such Authorisations;

Other regulatory conditions

- (k) other than in relation to the matters referred to in the Conditions set out in paragraphs 2(a) to (i) above, no Relevant Authority having instituted, implemented or threatened or having announced its intention to institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or enacted, made or proposed any statute, regulation, decision or order (and in each case, not having withdrawn the same), or having required any action to be taken, or otherwise having taken any other steps which would, in each case to an extent or in a manner which is or would be material in the context of the Acquisition, the Wider Dialog Group or the Wider Renesas Group (as the case may be) taken as a whole:
- (i) make the Scheme, the Acquisition, or the acquisition or proposed acquisition of any shares, other securities (or the equivalent) or interest in, or control or management of any member of the Wider Dialog Group by Renesas, or the implementation of any of the foregoing, void, illegal or unenforceable under the laws of any jurisdiction or otherwise directly or indirectly prevent, prohibit, or materially restrain, restrict, impede, challenge, delay or otherwise interfere with the implementation of, or impose additional material conditions or obligations with respect to, or otherwise challenge, the Scheme, the Acquisition, or the acquisition or proposed acquisition of any shares, other securities (or the equivalent) or interest in, or control or management of any member of the Wider Dialog Group by Renesas;
 - (ii) require, prevent or materially delay the divestiture or alter the terms envisaged for any divestiture by any member of the Wider Renesas Group or the Wider Dialog Group of all or any material part of their respective businesses, assets or properties, or impose any material limitation on the ability of any of them to conduct all or any part of their respective businesses and to own, control or manage any of their respective assets or properties;
 - (iii) impose any material limitation on, or result in a delay in, the ability of Renesas to acquire or hold or exercise effectively, directly or indirectly, all rights of ownership of the Dialog Shares (whether acquired pursuant to the Scheme or otherwise) and all rights of ownership of shares, other securities (or the equivalent) or interest in any member of the Wider Dialog Group or on the ability of any member of the Wider Dialog Group to hold or exercise effectively, directly or indirectly, any rights of ownership of shares, other securities (or the equivalent) or interest in, or to exercise management control over, any other member of the Wider Dialog Group;
 - (iv) except pursuant to Chapter 3 of Part 28 of the Companies Act, in the event that Renesas elects to implement the Acquisition by way of a Takeover Offer, require any member of the Wider Renesas Group or of the Wider Dialog Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider Dialog Group (other than in connection with the implementation of the Acquisition);
 - (v) require or prevent any material divestiture by any member of the Wider Renesas Group of any shares, other securities (or the equivalent) or interest in any member of the Wider Dialog Group;
 - (vi) result in any member of the Wider Renesas Group or the Wider Dialog Group ceasing to be able to carry on their respective businesses under any name under which it is presently carried on;
 - (vii) impose any material limitation on, or result in any delay in, the ability of any member of the Wider Dialog Group or of the Wider Renesas Group to conduct, integrate or co-ordinate all or any part of their respective businesses with all or any part of the business of any other member of the Wider Renesas Group or the Wider Dialog Group;

- (viii) result in the refusal, withholding, suspension, withdrawal, cancellation, termination or modification in whole or in part of any material licence, authority, permission or privilege held or enjoyed by any member of the Wider Renesas Group or of the Wider Dialog Group which is necessary for the proper carrying on of its business as carried on as at the date hereof or the imposition of any material conditions, restrictions or limitations upon such licence, authority, permission or privilege which would materially inhibit the exercise thereof; or
- (ix) otherwise adversely affect the business, assets, financial or trading position or profits or prospects of any member of the Wider Renesas Group or of the Wider Dialog Group to an extent which would have a material adverse effect on the Wider Dialog Group, taken as a whole,

and all applicable waiting and other time periods (including any extensions thereof) during which any Relevant Authority could institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference or any other step under the laws of any jurisdiction in respect of the Scheme, the Acquisition or the acquisition or proposed acquisition of any Dialog Shares having expired, lapsed or been terminated;

Certain matters arising from any agreement, arrangement, etc.

- (l) except as Disclosed, there being no provision of any agreement, arrangement, lease, licence, franchise, permit or other instrument to which any member of the Wider Dialog Group is a party, or in or from which any such member may be interested or be entitled to benefit, or by or to which any such member or any of its assets may be bound or subject which, as a consequence of the Acquisition or the acquisition or the proposed acquisition by any member of the Wider Renesas Group of any shares or other securities in Dialog or because of a change in the control or management of any member of the Wider Dialog Group, could or might reasonably be expected to result in, and in each case to the extent material in the context of the Wider Dialog Group as a whole:
 - (i) any monies borrowed by, or any other indebtedness (actual or contingent) of, or any grant available to, any such member of the Wider Dialog Group, being or becoming repayable, or capable of being declared repayable, immediately or earlier than its or their stated repayment or maturity date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or restricted, or being or becoming capable of being withdrawn or restricted;
 - (ii) the creation or enforcement of any mortgage, charge or other security interest of any kind whatsoever over the whole or any part of the business, property, assets of any such member or any such mortgage, charge or other security interest (whenever created, arising or having arisen) becoming enforceable;
 - (iii) any such agreement, arrangement, lease, licence, franchise, permit or instrument being terminated or the rights, liabilities, obligations or interests of any such member being modified or affected, or any obligation or liability arising or any action being taken or arising thereunder;
 - (iv) the rights, liabilities, obligations or interests of any such member of the Wider Dialog Group in or in respect of any such agreement, arrangement, lease, licence, franchise, permit or instrument, or the business of any such member with any person, firm or company (or any arrangement relating to any such interests or business) being terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken thereunder;

- (v) any liability of any such member to make any severance, termination, bonus or other payment to any of its directors or other officers;
- (vi) any such member ceasing to be able to carry on business under any name under which it currently does so;
- (vii) the value of any such member or its financial or trading position or prospects being prejudiced or adversely affected; or
- (viii) the creation or acceleration of any liability (actual or contingent) by any such member other than trade creditors or other liabilities incurred in the ordinary course of business,

and no event having occurred which, under any provision of any agreement, arrangement, lease, licence, franchise, permit or other instrument to which any member of the Wider Dialog Group is a party or by or to which any such member or any of its assets may be bound, entitled or subject, could result in the occurrence of any of the events or circumstances described or referred to in the Conditions set out in sub-paragraphs (i) to (viii) above;

Certain events occurring since 31 December 2019

- (m) except as Disclosed, no member of the Wider Dialog Group having, since 31 December 2019:
 - (i) issued or agreed to issue or authorised or announced its intention to issue or authorise the issue of additional shares of any class, or securities convertible into, or exchangeable for, shares of any class, or rights, warrants or options to subscribe for, or acquire, any such shares, securities or convertible securities (except, as between Dialog and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Dialog, and except for the issue or transfer out of treasury of Dialog Shares (or interests therein) on the exercise of options or vesting of share awards in the ordinary course under the Dialog Share Plans);
 - (ii) transferred or sold or agreed to transfer or sell, or authorised the transfer or sale of, Dialog Shares (or interests therein) out of treasury (except for the transfer of Dialog Shares out of treasury on the exercise of options or vesting of share awards in the ordinary course under the Dialog Share Plans);
 - (iii) purchased, redeemed or repaid, or announced any proposal to purchase, redeem or repay, any of its own shares or other securities, or reduced or made any other change (excepting any change referred to in sub-paragraph (i) above) to any part of its share capital;
 - (iv) recommended, declared, paid or made or authorised the recommendation, declaration, payment or making of any bonus, dividend or other distribution (whether payable in cash or otherwise), other than bonuses, dividends or other distributions, whether payable in cash or otherwise, lawfully paid or made by any wholly-owned subsidiary of Dialog to Dialog or any of its wholly-owned subsidiaries;
 - (v) other than pursuant to the Acquisition, implemented, effected, authorised or announced its intention to implement, effect or authorise any merger, demerger, reconstruction, amalgamation, scheme, commitment or other transaction or arrangement with a substantially equivalent effect (except as between Dialog and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Dialog), in each case to an extent which is material in the context of the Wider Dialog Group;

- (vi) acquired or disposed of or transferred, mortgaged or charged or created any security interest of any kind whatsoever over any assets or any right, title or interest in any asset (including shares and trade investments), or authorised or announced any intention to transfer, mortgage, charge or create any security interest of any kind whatsoever (except as between Dialog and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Dialog), in each case to an extent which is material in the context of the Wider Dialog Group;
- (vii) made or authorised, or announced a proposal to make, any change in its loan capital or the issue of any debentures (except as between Dialog and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Dialog), in each case to an extent which is material in the context of the Wider Dialog Group;
- (viii) other than trade creditors or other liabilities incurred in the ordinary course of business, and in each case to an extent which is material in the context of the Wider Dialog Group, incurred or increased any indebtedness or become subject to any guarantee or contingent liability (except as between Dialog and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Dialog or otherwise in the ordinary course of business);
- (ix) been unable, or admitted in writing that it is unable, to pay its debts, or having commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened in writing to stop or suspend) payment of its debts generally, or (other than in respect of a member of the Wider Dialog Group which is dormant and solvent at the relevant time) having ceased, or having threatened in writing to cease, carrying on all or a substantial part of its business;
- (x) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any employee of the Wider Dialog Group other than as contemplated in the Co-operation Agreement and except for salary increases, bonuses or variations of terms in respect of executives of any member of the Wider Dialog Group, in each case otherwise than in the ordinary course of business;
- (xi) entered into, or varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary the terms of, any contract, service agreement, commitment or arrangement with any director or senior executive of any member of the Wider Dialog Group, other than as contemplated in the Co-operation Agreement and except for salary increases, bonuses or variations of terms in respect of executives of any member of the Wider Dialog Group, in each case otherwise than in the ordinary course of business;
- (xii) entered into or varied or authorised or announced its intention to enter into, vary or authorise any material contract, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, onerous or unusual nature or magnitude, or which involves or could reasonably be expected to involve an obligation of such a nature or magnitude, or which is or could reasonably be expected to be (in a manner or to an extent abnormal in the context of the business concerned) materially restrictive on any business of any member of the Wider Dialog Group, in each case otherwise than in the ordinary course of business;
- (xiii) other than in respect of a member of the Wider Dialog Group which is dormant and solvent at the relevant time, taken or proposed any corporate action or had any legal proceedings instituted or threatened in writing

- against it for its winding-up (voluntary or otherwise), dissolution, reorganisation or any analogous proceedings in any jurisdiction, or for the appointment of a receiver, administrative receiver, administrator, trustee or similar officer of all or any of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;
- (xiv) save as required in connection with the Acquisition, made any material amendment to its memorandum, articles of association or other incorporation or constitutional documents;
 - (xv) other than in accordance with applicable law, made or agreed or consented to any change to:
 - a) the terms of any trust deed constituting any pension scheme established by any member of the Wider Dialog Group for its directors, employees and/or their dependents;
 - b) the contributions payable to any such scheme, or the benefits which accrue or the pensions which are payable thereunder;
 - c) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined, or
 - d) the basis upon which the liabilities (including pensions) of any such pension schemes are funded, valued, made agreed or consented to; or
 - (xvi) in connection with any of the transactions, matters or events referred to in this Condition 2(m), entered into, or varied the terms of, any contract, commitment, arrangement or agreement, or passed any resolution or made any offer (which remains open for acceptance) with respect to, or announced any intention or proposal to effect,

No adverse change, litigation, etc.

- (n) except as Disclosed, since 31 December 2019, there having been:
 - (i) no adverse change and no circumstance having arisen which would, or might reasonably be expected to, result in any adverse change in the business, assets, financial or trading position, profits, prospects or operational performance of any member of the Wider Dialog Group which is material in the context of the Wider Dialog Group;
 - (ii) no litigation, arbitration or mediation proceedings, prosecution or other legal proceedings having been instituted, announced or threatened or remaining outstanding by or against any member of the Wider Dialog Group (whether as a claimant, defendant or otherwise), and no investigation by any Relevant Authority against or in respect of any member of the Wider Dialog Group remaining outstanding, or having been instituted, announced or threatened by or against any member of the Wider Dialog Group, in each case which would have a material adverse effect on the Wider Dialog Group taken as a whole;
 - (iii) no enquiry, review or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Dialog Group having been threatened, announced or instituted or remaining outstanding by, against or in respect of any member of the Wider Dialog Group, in each case which would have a material adverse effect on the Wider Dialog Group taken as a whole;

- (iv) no contingent or other liability of any member of the Wider Dialog Group having arisen, which would, or would reasonably be expected to, adversely affect the business, assets, financial or trading position, profits, prospects or operational performance of any member of the Wider Dialog Group to an extent which is material in the context of the Wider Dialog Group taken as a whole; or
- (v) no steps having been taken and no omissions having been made which would, or would reasonably be expected to, result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Dialog Group which is necessary for the proper carrying on of its business as carried on as at the date hereof and the withdrawal, cancellation, termination or modification of which would have a material adverse effect on the Wider Dialog Group taken as a whole;

No discovery of adverse information, liabilities and environmental issues

- (o) except as Disclosed, Renesas not having discovered in relation to any member of the Wider Dialog Group, in each case to an extent which is material in the context of the Wider Dialog Group as a whole:
 - (i) that any financial, business or other information concerning the Wider Dialog Group as contained in the information publicly announced prior to the date of this Announcement by or on behalf of any member of the Wider Dialog Group is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make that information not misleading;
 - (ii) any member of the Wider Dialog Group has failed to comply with any and/or all applicable legislation or regulation in any jurisdiction, with regard to the use, storage, transport, treatment, handling, disposal, spillage, release, discharge, leak or emission of any waste or hazardous substance or any substance likely to impair the environment or harm human health or animal health or otherwise relating to environmental matters, or that there has been any such disposal, spillage, release, discharge, leak or emission (whether or not the same constituted non-compliance by any person with any such legislation or regulation, wherever the same may have taken place), where any such non-compliance or any such disposal, spillage, release, discharge, leak or emission would be likely to give rise to any liability (actual or contingent) on the part of any member of the Wider Dialog Group; or
 - (iii) there is, or is likely to be, for any reason linked to the matters referred to in sub-paragraph (ii), any liability (actual or contingent) of any member of the Wider Dialog Group to make good, repair, reinstate or clean up any property or any controlled waters now or previously owned, occupied, operated or made use of or controlled by any such member of the Wider Dialog Group, under any environmental legislation, regulation, notice, circular or order of any Relevant Authority;

Anti-corruption, sanctions and criminal property

- (p) except as Disclosed, Renesas not having discovered that:
 - (i) any member of the Wider Dialog Group or any past or present director, officer or employee of the Wider Dialog Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977 (in all cases, as amended) or any other applicable anti-corruption legislation;

- (ii) any asset of any member of the Wider Dialog Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition);
- (iii) any member of the Wider Dialog Group or any past or present director, officer or employee of the Wider Dialog Group has engaged in any business with, made any investments in, made any funds or assets available to or received any funds or assets from: (i) any government, entity or individual in respect of which US or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by US or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control, or HM Treasury & Customs; or (ii) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states, in each case to an extent which is material in the context of the Wider Dialog Group taken as a whole, and save that this shall not apply if and to the extent that it is or would be unenforceable by reason of breach of any applicable Blocking Law; or
- (iv) no member of the Wider Dialog Group being engaged in any transaction which would cause Renesas to be in breach of any law or regulation upon its acquisition of Dialog, including the economic sanctions of the United States Office of Foreign Assets Control, or HM Treasury & Customs, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the European Union or any of its member states, and save that this shall not apply if and to the extent that it is or would be unenforceable by reason of breach of any applicable Blocking Law; and
- (v) for the purposes of this Condition 2(p), “**Blocking Law**” means: (i) any provision of Council Regulation (EC) No 2271/1996 of 22 November 1996 (or any law or regulation implementing such Regulation in any member state of the European Union); or (ii) any provision of Council Regulation (EC) No 2271/1996 of 22 November 1996, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018.

Part B: Certain further terms of the Acquisition

1. Subject to the requirements of the Takeover Panel, Renesas reserves the right in its sole and absolute discretion to (if capable of waiver) waive:
 - (a) the deadline set out in the Condition requiring the Scheme to become unconditional and effective, subject to the Takeover Code, by no later than the Long Stop Date or any of the deadlines set out in the Conditions in paragraph 1 in Part A above for the timing of the Court Meeting, General Meeting, and the Court Sanction Hearing. If any such deadline is not met, Renesas shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with Dialog to extend the deadline in relation to the relevant Condition; and
 - (b) in whole or in part all or any of the above Conditions set out in paragraph 2 in Part A above.
2. Renesas shall be under no obligation to waive, to determine to be or remain fulfilled or to treat as fulfilled any of the Conditions set out in paragraph 2 of Part A above by a date earlier than the latest date specified above for the fulfilment of that Condition, notwithstanding that any such Condition or the other Conditions may at such earlier date have been waived or fulfilled

and that there are, at such earlier date, no circumstances indicating that any such Condition may not be capable of fulfilment.

3. Under Rule 13.5 of the Takeover Code, Renesas may not invoke a Condition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn, unless the circumstances which give rise to the right to invoke the Condition are of material significance to Renesas in the context of the Acquisition. The Conditions set out in paragraph 1 of Part A above (and, if applicable, any acceptance condition adopted on the basis specified in paragraph 5 below in relation to any Takeover Offer) are not subject to this provision of the Takeover Code.
4. If Renesas is required by the Takeover Panel to make a mandatory offer for Dialog Shares under Rule 9 of the Takeover Code, Renesas may make such alterations to the Conditions as are necessary to comply with the provisions of that Rule.
5. Renesas reserves the right to elect (with the consent of the Takeover Panel and subject to the terms of the Co-operation Agreement) to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme. In such event, the Acquisition will be implemented on substantially the same terms and subject to substantially the same Conditions as those applying to the Scheme, so far as applicable and subject to appropriate amendments. The acceptance condition would be set at 90 per cent. of the shares to which such Takeover Offer relates (or such lesser percentage as the Takeover Panel may require or as Renesas may decide with the consent of the Takeover Panel provided that if it became or was declared unconditional in all respects, the Takeover Offer would result in Renesas holding Dialog Shares carrying greater than 50 per cent. of the voting rights in Dialog). Further, if sufficient acceptances of the Takeover Offer are received and/or sufficient Dialog Shares are otherwise acquired, it is the intention of Renesas to apply the provisions of the Companies Act to compulsorily acquire any outstanding Dialog Shares to which such Takeover Offer relates.
6. The Acquisition will lapse (unless otherwise agreed with the Takeover Panel) if, in each case before the date of the Court Meeting:
 - (a) in so far as the Acquisition or any matter arising from or relating to the Acquisition constitutes a concentration with an EU dimension within the scope of the EU Merger Regulation, the European Commission initiates proceedings under Article 6(1)(c) of the EU Merger Regulation in relation to the Acquisition; or
 - (b) the Acquisition or any matter arising from or relating to the Acquisition becomes subject to a CMA Phase 2 Reference.
7. The Scheme Shares shall be acquired by Renesas fully paid and free from all liens, equitable interests, charges, encumbrances, rights of pre-emption and any other third party rights and interests whatsoever and together with all rights existing at the Effective Date or thereafter attaching thereto, including (without limitation) the right to receive and retain, in full, all dividends and other distributions (if any) declared, made or paid or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made on or after the Effective Date in respect of the Scheme Shares.
8. If any dividend, distribution and/or return of capital in respect of the Scheme Shares is declared, paid (or is payable) or made on or after the date of this Announcement but on or prior to the Effective Date (and with a record date on or prior to the Effective Date), Renesas reserves the right to reduce the consideration payable for each Scheme Share under the terms of the Acquisition by the amount per Scheme Share of such dividend, distribution and/or return of capital, in which case any reference in this Announcement or in the Scheme Document to the offer consideration for the Scheme Shares will be deemed to be a reference to the offer consideration as so reduced. Any exercise by Renesas of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Acquisition. If Renesas exercises the right to reduce the consideration payable under the Acquisition by the amount of a dividend, distribution and/or return of capital that has not been paid or made, Scheme Shareholders will be entitled to receive and retain the amount of that dividend, distribution and/or return of capital. To the extent that such a dividend, distribution and/or return of capital

has been declared or announced but not paid or made or is not payable by reference to a record date on or prior to the Effective Date or shall be transferred pursuant to the Scheme on a basis which entitles Renesas to receive the dividend, distribution and/or return of capital and to retain it or otherwise cancelled, the consideration payable under the Scheme will not be subject to change in accordance with this paragraph.

9. The implications of the Acquisition for Scheme Shareholders not resident in the United Kingdom or Germany may be affected by the laws of relevant overseas jurisdictions. Such persons should inform themselves about and observe any applicable legal requirements.
10. Unless otherwise determined by Renesas or required by the Takeover Code and permitted by applicable law and regulation, the Acquisition is not being, and will not be, made available, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, telephonic or electronic) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Announcement and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from Restricted Jurisdictions, where to do so would violate the laws and regulations in that jurisdiction. Any persons who are subject to the laws of any jurisdiction other than the United Kingdom or Germany should inform themselves about and observe any applicable legal and regulatory requirements. Any failure to comply with the applicable requirements may constitute a violation of the laws and/or regulations of any such jurisdiction.
11. Each of the Conditions will be regarded as a separate Condition and will not be limited by reference to any other Condition.
12. This Announcement, the Acquisition and the Scheme shall be governed by and construed in accordance with the laws of England and Wales and will be subject to the jurisdiction of the court of England and Wales. The Acquisition shall also be subject to the applicable requirements of the Takeover Code and the Takeover Panel.

APPENDIX 2
SOURCES OF FINANCIAL INFORMATION AND BASES OF CALCULATION USED IN THE ANNOUNCEMENT

1. Unless otherwise stated, the financial information on Dialog is extracted from Dialog's annual report and accounts for the financial year to 31 December 2019 and from the unaudited consolidated financial statements of Dialog for the nine months ended 25 September 2020.
2. As at the close of business on 5 February 2021 (being the Latest Practicable Date), Dialog had in issue 71,268,687 Dialog Shares (which excludes Dialog Shares held in treasury). The International Securities Identification Number for the Dialog Shares is GB0059822006.
3. The value attributed to Dialog's entire issued and to be issued ordinary share capital as implied by the price of €67.50 per Dialog Share is based on the issued ordinary share capital as at 5 February 2021 (being the Latest Practicable Date) adjusted for the dilutive effect of options and awards under the Dialog Share Plans and adjusted for the shares held by Dialog's employee benefit trusts (each as at 31 December 2020), being:
 - (a) Dialog's existing issued share capital of Dialog Shares as described in paragraph 2 above;
 - (b) plus a maximum of 4,749,035 Dialog Shares which may be issued on or after the Announcement Date on the exercise of options and or vesting of awards under the Dialog Share Plans; and
 - (c) less 3,630,109 Dialog Shares currently held in Dialog's employee benefit trusts and included in the existing issued share capital which may be utilized to satisfy awards under the Dialog Share Plans.
4. Unless otherwise stated, all prices quoted for Dialog Shares are Closing Prices and have been derived from FactSet.
5. Volume-weighted average prices have been derived from Bloomberg and have been rounded to the nearest two decimal places.
6. Exchange rates have been derived from FactSet and have been rounded to the nearest whole number.
7. In this Announcement, the percentage of Dialog Shares that comprise beneficial holdings in Dialog Shares subject to irrevocable undertakings by Dialog Directors in favour of Renesas exclude any Dialog Shares held in treasury.
8. Underlying EBITDA is a non-IFRS measure that makes certain adjustments to reported EBITDA, including licence and asset transfers to Apple, share-based compensation and related expenses, acquisition-related costs, consumption of the fair value uplift of acquired inventory, consideration accounted for as compensation expense, forfeiture of deferred consideration, corporate transaction costs and integration costs.
9. Dialog's Underlying EBITDA (non-IFRS measure) for the 12-month period to 25 September 2020 and pro-forma financial metrics, including Renesas' pro-forma non-GAAP gross margin, are based on Dialog's unaudited interim reports (for the quarters ending 31 December 2019 and 25 September 2020), Renesas' unaudited interim reports (for the quarters ending 31 December 2019 and 30 September 2020) and analysis by Renesas' management.
10. The exchange rate used for the conversion of USD into JPY is 105, derived from FactSet, as at 4.00 p.m. on 5 February 2021 (being the Latest Practicable Date).

**APPENDIX 3
IRREVOCABLE UNDERTAKINGS**

Irrevocable undertakings from Dialog Directors

Each of the following Dialog Directors have entered into irrevocable undertakings with Renesas to vote in favour of the Scheme at the Court Meeting and the Resolutions to be proposed at the Dialog General Meeting:

Name of Dialog Director	Number of Dialog Shares in respect of which undertaking is given	Percentage of Dialog issued share capital (excluding Dialog Shares held in treasury) as at the Latest Practicable Date
Jalal Bagherli	511,615	0.718
Richard Beyer	19,358	0.027
Alan Campbell	14,492	0.020
Michael Cannon	14,662	0.021
Mary Chan	12,674	0.018
Joanne Curin	2,350	0.003
Nicholas Jeffery	8,511	0.012
Eamonn O'Hare	15,665	0.022
Total	599,327	0.841

These irrevocable undertakings also extend to any shares acquired by the Dialog Directors as a result after the date of this Announcement, including as a result of the vesting of awards or the exercise of options under the Dialog Share Plans (after any sales permitted to fund tax or exercise price liabilities).

These irrevocable undertakings remain binding in the event a higher competing offer is made for Dialog. The irrevocable undertakings given by the Dialog Directors will cease to be binding *inter alia* if:

- the Acquisition becomes Effective;
- Renesas publicly announces that it does not intend to proceed with the Acquisition;
- the Acquisition has not become Effective in accordance with the requirements of the Takeover Code by the Long Stop Date;
- the Scheme has lapsed or been withdrawn (save for where (i) the Scheme lapses or is withdrawn solely as a result of Renesas exercising its right to implement the Acquisition by way of a Takeover Offer rather than a Scheme; or (ii) the reason for the lapse of the Scheme

is as a result of the Dialog Director's breach of the irrevocable undertaking) and no new, revised or replacement Scheme or Takeover Offer has been announced by Renesas on or prior to the date of the lapse or withdrawal; or

- a third party competing proposal for Dialog becomes effective or otherwise is declared unconditional in all respects.

APPENDIX 4 DEFINITIONS

The following definitions apply throughout the Announcement unless the context requires otherwise:

Acquisition	the proposed all-cash acquisition of the entire issued, and to be issued, share capital of Dialog by Renesas to be effected by means of the Scheme on the terms and subject to the conditions set out in this Announcement and to be set out in the Scheme Document or (should Renesas so elect, subject to the consent of the Takeover Panel) by way of the Takeover Offer, and, where the context admits, any subsequent revision, variation, extension or renewal thereof
Announcement	this announcement of which the Appendices form part (including, where the context so admits, the summary section at the front of this announcement)
Articles	the articles of association of Dialog (as amended)
Authorisations	regulatory authorisations, orders, grants, recognitions, confirmations, licences, consents, clearances, certifications, permissions or approvals, in each case from, to or with any Relevant Authority
Bridge Facility Agreement	the bridge facility agreement between MUFG Bank, Ltd. and Mizuho Bank, Ltd entered into on 8 February 2021
Business Day	a day (other than a Saturday, Sunday or public holiday in London or Frankfurt) on which banks are open for business in London and Frankfurt
Clean Team Confidentiality Agreement	the clean team confidentiality agreement between Dialog and Renesas entered into on 28 January 2021
Closing Price	the closing middle market price of a Dialog Share on a particular trading day
CMA Phase 2 Reference	a reference of the Acquisition to the chair of the Competition and Markets Authority for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013
Combined Group	the enlarged group comprising the Renesas Group and the Dialog Group following completion of the

	Acquisition
Companies Act	the UK Companies Act 2006 (as amended)
Conditions	the conditions to the Scheme set out in Appendix 1 of this Announcement and to be set out in the Scheme Document, and Condition means any one of them
Confidentiality Agreement	the non-disclosure agreement between Dialog and Renesas entered into on 20 January 2021
Confidentiality and Joint Defense Agreement	the confidentiality and joint defense agreement between Dialog and Renesas entered into on 28 January 2021
Co-operation Agreement	the co-operation agreement between Dialog and Renesas dated 8 February 2021
Court	the High Court of Justice in England and Wales
Court Meeting	the meeting(s) of the Scheme Shareholders to be convened by order of the Court pursuant to section 896 of the Companies Act for the purpose of considering and, if thought fit, approving the Scheme (with or without amendment as approved by the Court and agreed by Dialog and Renesas) and any adjournment of such meeting
Court Order	the order of the Court sanctioning the Scheme under section 899 of the Companies Act
Court Sanction Hearing	the hearing by the Court to sanction the Scheme at which the Court Order is expected to be granted, or any adjournment thereof
Data Room	the virtual data room maintained by Datasite and titled "Project Danube", containing documents and information relating to the Wider Dialog Group
Dealing Disclosure	has the same meaning given to it in Rule 8 of the Takeover Code
Dialog or the Company	Dialog Semiconductor Plc
Dialog Directors or Dialog Board	the directors of Dialog at the date of this Announcement
Dialog General Meeting	the general meeting of Dialog Shareholders to be convened in connection with the Scheme for the purpose of considering and if thought fit approving the Resolutions, and any adjournment,

	postponement or reconvention thereof
Dialog Group	Dialog and its subsidiaries and subsidiary undertakings
Dialog Shares	ordinary shares of £0.10 each in the capital of Dialog, and Dialog Share means any one of them
Dialog Shareholders	holders of Dialog Shares
Dialog Share Plans	the Dialog Deferred Bonus Plan 2013, the Dialog Employee Share Plan 2013, incorporating the California addendum where applicable, and the Dialog Long Term Incentive Plan 2015, incorporating the California addendum where applicable
Disclosed	the information fairly disclosed by, or on behalf of Dialog: (i) in its published annual report and accounts for the period ended 31 December 2019 or in its interim results for the nine month period ended 25 September 2020; (ii) in this Announcement; (iii) in any other announcement to a regulatory information service (including DGAP being a service of EQS Group AG) by, or on behalf of Dialog prior to the publication of this Announcement; (iv) in writing prior to the date of this Announcement to Renesas or Renesas' financial, accounting, tax or legal advisers (in their capacity as such); or (v) as otherwise fairly disclosed (including via the Data Room or by granting a right of inspection of a relevant document and whether or not in response to any specific request for information made by any person) to Renesas (or its respective officers, employees, agents or advisers in their capacity as such) prior to the date of this Announcement
Effective	in the context of the Acquisition: <ul style="list-style-type: none"> (i) if the Acquisition is implemented by way of the Scheme, the Scheme becoming effective in accordance with its terms; or (ii) if the Acquisition is implemented by way of a Takeover Offer, such offer having become or been declared unconditional in all respects in accordance with its terms
Effective Date	the date on which the Scheme becomes effective in accordance with its terms

EU Merger Regulation	Council Regulation (EC) No 139/2004 (as amended)
FSE	the Frankfurt Stock Exchange (also known as the <i>Frankfurter Wertpapierbörse</i>)
hard copy form	a document, an announcement or any information will be sent in hard copy form if it is sent in a paper copy or similar form capable of being read
IFRS	International Accounting Standards and International Financial Reporting Standards issued by the International Accounting Standards Board (or a predecessor body) and related interpretations issued by the IFRS Interpretations Committee (or a predecessor body)
Latest Practicable Date	5 February 2021, being the latest practicable date prior to the publication of this Announcement
Long Stop Date	21 January 2022 (or such later date as Dialog and Renesas may agree and the Court and the Takeover Panel may allow)
Opening Position Disclosure	has the same meaning given to it in Rule 8 of the Takeover Code
Registrar of Companies	the registrar of companies in England and Wales
Relevant Authority	any central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative or fiscal body, authority or court whatsoever in any jurisdiction
Resolutions	the shareholder resolutions to approve the implementation of the Scheme and the amendment of the Articles to be considered at the Dialog General Meeting
Restricted Jurisdiction	any jurisdiction where local laws or regulations may result in significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to Dialog Shareholders in that jurisdiction
Renasas	Renasas Electronics Corporation
Renasas Directors or Renesas Board	the directors of Renesas at the date of this Announcement
Renasas Group	Renasas and its subsidiaries and subsidiary undertakings

R&D	research and development
Scheme	the proposed scheme of arrangement under Part 26 of the Companies Act between Dialog and Dialog Shareholders to be set out in the Scheme Document, with or subject to any modification, addition or condition approved or imposed by the Court and agreed to by Dialog and Renesas
Scheme Document	the document to be dispatched to Dialog Shareholders and persons with information rights (among others) setting out, among other things, the details of the Acquisition, the full terms and conditions of the Scheme and containing the notices of the Court Meeting and the Dialog General Meeting
Scheme Record Time	the time and date to be specified as such in the Scheme Document, or such other time and/or date as Dialog and Renesas may agree
Scheme Shareholders	holders of Scheme Shares whose names appear in the register of members of Dialog at the Scheme Record Time
Scheme Shares	Dialog Shares to be specified as such in the Scheme Document
Significant Interest	in relation to an undertaking, a direct or indirect interest in 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) or equivalent, of such undertaking
subsidiary and subsidiary undertaking	has the meaning given in the Companies Act
Takeover Code	the United Kingdom City Code on Takeovers and Mergers issued from time to time by the Takeover Panel
Takeover Offer	if (subject to the consent of the Takeover Panel and the terms of this document) the Acquisition is effected by way of a takeover offer as defined in Part 28 of the Companies Act, the offer to be made by or on behalf of Renesas to acquire the issued and to be issued share capital of Dialog on the terms and subject to the conditions to be set out in the related offer document
Takeover Panel	the United Kingdom Panel on Takeovers and Mergers of the United Kingdom, or any successor thereto

Third Party	any Relevant Authority or professional association, investigative body, works council, employee representative body, or any sub-division, agency, commission or other authority of any of the foregoing or any other equivalent body or person whatsoever in any jurisdiction
Tokyo Stock Exchange	Tokyo Stock Exchange, Inc.
Underlying EBITDA	a non-IFRS measure comprising adjustments to reported EBITDA including licence and asset transfers to Apple, share-based compensation and related expenses, acquisition-related costs, consumption of the fair value uplift of acquired inventory, consideration accounted for as compensation expense, forfeiture of deferred consideration, corporate transaction costs and integration costs
United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
United States or US	the United States of America, its territories and possessions, any state of the United States, the District of Columbia and all other areas subject to its jurisdiction
US Exchange Act	the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder
US GAAP or GAAP	Generally Accepted Accounting Principles (United States)
Voting Record Time	the time and date to be specified as such in the Scheme Document by reference to which entitlement to vote at the Court Meeting or the Dialog General Meeting will be determined
Wider Dialog Group	Dialog and its subsidiaries, subsidiary undertakings, associated undertakings and any other body corporate, partnership, joint venture or person in which Dialog and all such undertakings (aggregating their interests) have a Significant Interest
Wider Renesas Group	Renesas and its subsidiaries, subsidiary undertakings, associated undertakings and any other body corporate, partnership, joint venture or person in which Renesas and all such undertakings (aggregating their interests) have a Significant Interest

All references to “**Euro**” or “**€**” mean the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty Establishing the European Community, as amended by the Treaty on the European Union.

All references to “**£**”, “**pence**”, “**penny**” and “**p**” are to the lawful currency of the United Kingdom.

All reference to “**JPY**”, “**JP¥**”, “**¥**” and “**yen**” are to the lawful currency of Japan.

All references to “**US\$**”, “**\$**” and “**US Dollars**” are to the lawful currency of the United States.

All the times referred to in this Announcement are London times unless otherwise stated.

References to the singular include the plural and vice versa.

For the purposes of this Announcement, “**subsidiary**”, “**subsidiary undertaking**”, “**undertaking**” and “**associated undertaking**” have the respective meanings given thereto by the Companies Act.