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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you should consult your independent financial adviser immediately. If you have sold or otherwise transferred all your shares in Dialog Semiconductor Plc, please forward this document and the accompanying document(s) to the purchaser, transferee, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Dialog Semiconductor Plc
GB-London
ISIN: GB0059822006
Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting (**AGM**) of Dialog Semiconductor Plc (the **Company** or **Dialog**) will be held at Reynolds Porter Chamberlain LLP, Tower Bridge House, St Katharine's Way, London E1W 1AA on Thursday 2 May 2019 at 9am BST (10am CEST) for the purpose of transacting the following business:

To consider and, if thought fit, to pass the following Resolutions of which Resolutions 1 to 10 (inclusive) will be proposed as ordinary resolutions and Resolutions 11 to 18 (inclusive) will be proposed as special resolutions:

RESOLUTION 1 - Receipt of the Company's Report and Accounts

THAT the Annual Report and Accounts for the financial year ended 31 December 2018 be and are hereby received.

RESOLUTION 2 - Approval of Directors' Remuneration Policy

THAT the Directors' Remuneration Policy, set out at pages 73 to 78 of the Annual Report and Accounts for the financial year ended 31 December 2018, be and is hereby approved.

RESOLUTION 3 - Approval of Directors' Remuneration Report (excluding the Directors' Remuneration Policy)

THAT the Directors' Remuneration Report (excluding the Directors' Remuneration Policy referred to in Resolution 2), set out at pages 70 to 72 and 79 to 85 of the Annual Report and Accounts for the financial year ended 31 December 2018, be and is hereby approved.

RESOLUTION 4 - Re-appointment of Deloitte LLP as Auditor of the Company

THAT Deloitte LLP be and is hereby re-appointed as Auditor of the Company.

RESOLUTION 5 - Authority to agree the Auditor's remuneration

THAT the Directors be and are hereby authorised to agree the remuneration of the Auditor.

RESOLUTION 6 - Re-appointment of Jalal Bagherli as a Director of the Company

THAT Jalal Bagherli be and is hereby re-appointed as a Director of the Company.

RESOLUTION 7 - Re-appointment of Nicholas Jeffery as Director of the Company

THAT Nicholas Jeffery be and is hereby re-appointed as a Director of the Company.

RESOLUTION 8 - Re-appointment of Eamonn O'Hare as a Director of the Company

THAT Eamonn O'Hare be and is hereby re-appointed as a Director of the Company.

RESOLUTION 9 - Directors' authority to allot shares

THAT the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 (the **Act**) to exercise all the powers of the Company to allot shares in the Company and to grant rights to subscribe for or to convert any securities into shares in the Company up to an aggregate nominal amount of £2,546,071 provided that this authority shall (unless previously renewed, varied or revoked) expire at the earlier of 15 months from the date of this Resolution and the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution save that the Company may before such expiry make any offers or agreements which would or might require shares in the Company to be allotted or rights to subscribe for or to convert any securities into shares in the Company to be granted after such expiry and the Directors may allot shares and grant rights to subscribe for or to convert any securities into shares in the Company pursuant to any such offer or agreement as if the authority conferred by this Resolution had not expired.

RESOLUTION 10 - Additional authority to allot shares in connection with a rights issue

THAT, in addition to Resolution 9, the Directors be and are hereby generally and unconditionally authorised pursuant to section 551 of the Act to exercise all the powers of the Company to allot equity securities (within the meaning of section 560 of the Act) in connection with a rights issue in favour of ordinary shareholders where the equity securities respectively attributable to the interests of all ordinary shareholders are proportionate (as nearly as may be) to the respective numbers of ordinary shares held by them up to an aggregate nominal amount (when added to any allotments made under Resolution 9) of £5,092,143 provided that this authority shall (unless previously renewed, varied or revoked) expire at the earlier of 15 months from the date of this Resolution and the conclusion of the next Annual General Meeting of the Company after the passing of this Resolution save that the Company may before such expiry make any offers or agreements which would or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to any such offer or agreement as if the authority conferred by this Resolution had not expired.

RESOLUTION 11 - Disapplication of pre-emption rights

THAT, subject to and conditional upon Resolution 9 and/or, as the case may be, Resolution 10 being passed, the Directors be and are hereby empowered to allot equity securities (as defined in section 560 of the Act) for cash under the authority conferred by Resolutions 9 and/or 10 (as applicable) and/or to sell ordinary shares held by the Company as treasury shares as if section 561 of the Act did not apply to any such allotment or sale, provided that such authority shall be limited to:

- (a) the allotment of equity securities in connection with an offer of equity securities (but, in the case of the authority granted under Resolution 10, by way of a rights issue only):
- to the holders of ordinary shares in proportion (as nearly as may be practicable) to their respective holdings; and
 - to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary,

but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems in or under the laws of any territory or the requirements of any regulatory body or stock exchange; and

- (b) the allotment of equity securities or sale of treasury shares (otherwise than pursuant to part (a) of this Resolution) to any person up to an aggregate nominal amount of £381,911.

The authority granted by this Resolution will expire at the conclusion of the Company's next Annual General Meeting after the passing of this Resolution or, if earlier, 15 months from the date of this Resolution, save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted (or treasury shares to be sold) after such expiry and the Directors may allot equity securities (or sell treasury shares) pursuant to any such offer or agreement as if the authority conferred by this Resolution had not expired.

RESOLUTION 12 - Additional disapplication of pre-emption rights

THAT, subject to and conditional upon Resolution 9 and/or, as the case may be, Resolution 10 being passed, the Directors be and are hereby empowered, in addition to any authority granted under Resolution 11, to allot equity securities (as defined in section 560 of the Act) for cash under the authority conferred by Resolutions 9 and/or 10 (as applicable) and/or to sell ordinary shares held by the Company as treasury shares as if section 561 of the Act did not apply to any such allotment, provided that this power shall be:

- (a) limited to the allotment of equity securities or sale of treasury shares up to a nominal amount of £381,911; and
- (b) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-emption Rights most recently published by the Pre-emption Group prior to the date of this Notice of AGM.

The authority granted by this Resolution will expire at the conclusion of the Company's next Annual General Meeting after the passing of this Resolution or, if earlier, 15 months from the date of this Resolution, save that the Company may before such expiry make offers or agreements which would or might require equity securities to be allotted (or treasury shares to be sold) after such expiry and the Directors may allot equity securities (or sell treasury shares) pursuant to any such offer or agreement as if the authority conferred by this Resolution had not expired.

RESOLUTION 13 - Authority to enter into contingent forward share purchase contract with Barclays Bank PLC

THAT, in accordance with section 694 of the Act and conditional on the passing of at least one of Resolutions 14, 15 and 16, the terms of a proposed contingent forward share purchase contract to be entered into between the Company and Barclays Bank PLC (**Barclays**) for the purchase by the Company of up to 11,457,321 ordinary shares of 10 pence each in the capital of the Company (in the form produced to the AGM and initialled by the Chairman for the purpose of identification) (the **Barclays Agreement**) be and are hereby approved and the Company be and is hereby authorised to enter into the Barclays Agreement.

The maximum aggregate number of shares which may be purchased under the Barclays Agreement and such other contingent forward share purchase contracts which may be approved pursuant to Resolutions 14 and/or 15 and/or 16 is 11,457,321, representing approximately 15% of the issued ordinary share capital of the Company as at 27 March 2019 (being the last practicable date prior to publication of this Notice of AGM).

The authority conferred by this Resolution to enter into the Barclays Agreement shall (unless previously renewed, varied or revoked) expire on the day which is immediately prior to the next Annual General Meeting of the Company or on 30 June 2020, whichever is the earlier.

RESOLUTION 14 - Authority to enter into contingent forward share purchase contract with Goldman Sachs International

THAT, in accordance with section 694 of the Act and conditional on the passing of at least one of Resolutions 13, 15 and 16, the terms of a proposed contingent forward share

purchase contract to be entered into between the Company and Goldman Sachs International (**Goldman Sachs**) for the purchase by the Company of up to 11,457,321 ordinary shares of 10 pence each in the capital of the Company (in the form produced to the AGM and initialled by the Chairman for the purpose of identification) (the **Goldman Sachs Agreement**) be and are hereby approved and the Company be and is hereby authorised to enter into the Goldman Sachs Agreement.

The maximum aggregate number of shares which may be purchased under the Goldman Sachs Agreement and such other contingent forward share purchase contracts which may be approved pursuant to Resolutions 13 and/or 15 and/or 16 is 11,457,321, representing approximately 15% of the issued ordinary share capital of the Company as at 27 March 2019 (being the last practicable date prior to publication of this Notice of AGM).

The authority conferred by this Resolution to enter into the Goldman Sachs Agreement shall (unless previously renewed, varied or revoked) expire on the day which is immediately prior to the next Annual General Meeting of the Company or on 30 June 2020, whichever is the earlier.

RESOLUTION 15 - Authority to enter into contingent forward share purchase contract with HSBC Bank plc

THAT, in accordance with section 694 of the Act and conditional on the passing of at least one of Resolutions 13, 14 and 16, the terms of a proposed contingent forward share purchase contract to be entered into between the Company and HSBC Bank plc (**HSBC**) for the purchase by the Company of up to 11,457,321 ordinary shares of 10 pence each in the capital of the Company (in the form produced to the AGM and initialled by the Chairman for the purpose of identification) (the **HSBC Agreement**) be and are hereby approved and the Company be and is hereby authorised to enter into the HSBC Agreement.

The maximum aggregate number of shares which may be purchased under the HSBC Agreement and such other contingent forward share purchase contracts which may be approved pursuant to Resolutions 13 and/or 14 and/or 16 is 11,457,321, representing approximately 15% of the issued ordinary share capital of the Company as at 27 March 2019 (being the last practicable date prior to publication of this Notice of AGM).

The authority conferred by this Resolution to enter into the HSBC Agreement shall (unless previously renewed, varied or revoked) expire on the day which is immediately prior to the next Annual General Meeting of the Company or on 30 June 2020, whichever is the earlier.

RESOLUTION 16 - Authority to enter into contingent forward share purchase contract with Merrill Lynch International

THAT, in accordance with section 694 of the Act and conditional on the passing of at least one of Resolutions 13, 14 and 15, the terms of a proposed contingent forward share purchase contract to be entered into between the Company and Merrill Lynch International (**Merrill Lynch**) for the purchase by the Company of up to 11,457,321 ordinary shares of 10 pence each in the capital of the Company (in the form produced to the AGM and initialled by the Chairman for the purpose of identification) (the **Merrill Lynch Agreement**) be and are hereby approved and the Company be and is hereby authorised to enter into the Merrill Lynch Agreement.

The maximum aggregate number of shares which may be purchased under the Merrill Lynch Agreement and such other contingent forward share purchase contracts which may be approved pursuant to Resolutions 13 and/or 14 and/or 15 is 11,457,321, representing approximately 15% of the issued ordinary share capital of the Company as at 27 March 2019 (being the last practicable date prior to publication of this Notice of AGM).

The authority conferred by this Resolution to enter into the Merrill Lynch Agreement shall (unless previously renewed, varied or revoked) expire on the day which is immediately prior to the next Annual General Meeting of the Company or on 30 June 2020, whichever is the earlier.

RESOLUTION 17 - Amendment to Articles of Association

THAT article 126 of the Company's Articles of Association be amended so as to replace the words "In the case of an equality of votes, the chairman shall have a second or casting vote" with the words "In the case of an equality of votes, the chairman shall not have a second or casting vote".

RESOLUTION 18 - Notice period for general meetings

THAT a general meeting of the Company other than an annual general meeting may be called on not less than 14 clear days' notice.

By order of the Board

Tim Anderson
Company Secretary Dialog Semiconductor Plc
Tower Bridge House St Katharine's Way London E1W 1AA

5 April 2019

Registered in England and Wales No. 3505161

Notes to Notice of AGM

1. Documents provided

This notice of the AGM (**Notice of AGM**) is being sent to all members and all CI Holders as defined in the Articles (the CI Holders together with the members, the **Shareholders**).

A separate letter from the CEO of the Company (the **Letter to Shareholders**) incorporating further details of how Shareholders may attend and vote at the AGM and important notes for AGM registration, proxy appointment and voting instructions (**Important Notes**) is available on the Company's website: <https://www.dialog-semiconductor.com - Company - Investor Relations - Annual General Meeting> and is included with the Notice of AGM sent to Shareholders.

2. Entitlement to attend and vote

The Company, pursuant to the Articles, specifies that only those Shareholders entered in the register of members of the Company or the CI Register (as defined in the Articles) (together the **Registers of Members**) at 9am BST (10am CEST) on 30 April 2019, or if this meeting is adjourned, in the appropriate Registers of Members 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote at the AGM in respect of the number of shares (or in the case of CI Holders, interests in shares) registered in their name at that time. Changes to the entries in the Registers of Members after 9am BST (10am CEST) on 30 April 2019, or if this meeting is adjourned, in the Registers of Members less than 48 hours before the time of any adjourned meeting, shall be disregarded in determining the rights of any person to attend or vote at the meeting.

3. Personal attendance

Shareholders wishing to attend the AGM in person should request an Admission Card by following the procedure described at section 1 ("Request for an Admission Card") in the reply form attached to the Letter to Shareholders (the Reply Form).

4. Proxies

Shareholders who are unable to attend the AGM may appoint one or more proxies (who need not be a Shareholder) to exercise all or any of their rights to attend, speak and vote at the AGM, provided that each proxy is appointed to

exercise the rights attached to a different share/CI or shares/CIs held by their appointer. A Shareholder may only appoint a proxy or proxies by following the procedure described at section 2 ("Appointment of Proxy and Voting Instructions") in the Reply Form. A proxy appointment must be received no later than 9am BST (10am CEST) on 30 April 2019. Further details in relation to the appointment of proxies are given in the Reply Form and Important Notes.

5. Questions at the AGM

Under section 319A of the Act, any member attending the AGM has the right to ask questions. The Company must answer any such question relating to the business being dealt with at the meeting unless:

- answering the question would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information;
- the answer has already been given on a website in the form of an answer to a question; or
- it is undesirable in the interests of the Company or the good order of the AGM that the question be answered.

6. Number of issued shares and total voting rights

As at 27 March 2019 (being the last practicable date prior to publication of this Notice of AGM) the Company's issued share capital comprised 76,382,139 ordinary shares of 10p each carrying one vote each and having an aggregate nominal value of £7,638,214. Therefore the total voting rights in the Company as at 27 March 2019 are 76,382,139.

7. Nominated persons

Any person to whom this Notice of AGM is sent who is a person nominated under section 146 of the Act to enjoy information rights (a **Nominated Person**) may have a right, under an agreement between them and the Shareholder by whom they were nominated, to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the Shareholder as to the exercise of voting rights.

The statement of the rights of Shareholders in relation to the appointment of proxies in note 4 to this Notice of AGM does not apply to Nominated Persons. The rights described in that note can only be exercised by Shareholders.

8. Corporate representatives

A corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all its powers as a member provided that no more than one corporate representative exercises power over the same share/CI. Any corporate Shareholder who wishes (or who may wish) to appoint more than one corporate representative should contact Martina Zawadzki by email at dialog_agm@art-of-conference.de or by telephone on +49 (0) 711 5087 7107.

9. Website giving information regarding the AGM

A copy of this Notice of AGM, and the other information required by section 311A of the Act, can be found at <https://www.dialog-semiconductor.com> - Company - Investor Relations - Annual General Meeting.

10. Website publication of audit concerns

Pursuant to Chapter 5 of Part 16 of the Act (sections 527 to 531), where requested by a member or members meeting the qualification criteria set out at note 11 to this Notice of AGM, the Company must publish on its website a statement setting out any matter that such members propose to raise at the meeting relating to the audit of the Company's accounts (including the Auditor's Report and the conduct of the audit) that are to be laid before the meeting. Where the Company is required to publish such a statement on its website:

- it may not require the members making the request to pay any expenses incurred by the Company in complying with the request;
- it must forward the statement to the Company's auditor no later than the time the statement is made available on the Company's website; and
- the statement may be dealt with as part of the business of the meeting.

The request:

- may be in hard copy form or by fax (see note 12 to this Notice of AGM);
- must either set out the statement in full or if supporting a statement sent by another member, clearly identify the statement which is being supported;
- must be authenticated by the person(s) making it; and
- must be received by the Company at least one week before the AGM.

11. Qualification criteria

In order to be able to exercise the members' right to require the Company to publish audit concerns (see note 10 to this Notice of AGM) the relevant request must be made by:

- a member or members having a right to vote at the AGM and holding at least 5% of total voting rights of the Company; or
- at least 100 members having a right to vote at the AGM and holding, on average, at least £100 of paid up share capital in the Company.

The Company wishes to extend these rights to the CI Holders, and all references in notes 10 to 12 to this Notice of AGM to a member or members should therefore be construed accordingly.

For information on voting rights, including the total number of voting rights, see note 6 to this Notice of AGM and the website referred to in note 9 to this Notice of AGM.

12. Submission of requests and authentication requirements

Where one or more members wish to request the Company to publish audit concerns (see note 10 to this Notice of AGM) such request must be made in accordance with one of the following ways:

- a hard copy request which is signed by the relevant member(s), states their full name(s) and address(es) and is sent to Dialog Semiconductor Plc c/o Art-of-Conference - Martina Zawadzki, Böblinger Str. 26, 70178 Stuttgart, Germany; or
- a request which is signed by the relevant member(s), states their full name(s) and address(es) and is sent to fax number +49 (0) 711 4709-713 marked for the attention of Martina Zawadzki.

13. Documents available for inspection

Copies of the Executive Director's service contract, Non-executive Directors' letters of appointment and each of the contingent forward share purchase contracts referred to in Resolutions 13, 14, 15 and 16 will be available for inspection during normal business hours at the Company's registered office from the date of this Notice of AGM (or in the case of the contingent forward share purchase contracts

referred to in Resolutions 13, 14, 15 and 16 from no later than 17 April 2019) until the AGM's conclusion and will also be available for inspection at the AGM venue immediately prior to and during the AGM itself.

14. Communication

Except as provided above, Shareholders who have general queries about the AGM should contact Martina Zawadzki by email at dialog_agm@art-of-conference.de. No other methods of communication will be accepted.

You may not use any electronic address provided either:

- in this Notice of AGM; or
- in any related documents (including the Letter to Shareholders),

to communicate with the Company for any purposes other than those expressly stated.

Explanatory Notes for Resolutions to be proposed at AGM

Resolutions

Resolutions 1 to 10 (inclusive) are proposed as ordinary resolutions. To pass these Resolutions more than 50% of the votes cast on each Resolution must be in favour. Resolutions 11 to 18 are proposed as special resolutions. To pass a special resolution not less than 75% of the votes cast on the Resolution must be in favour.

Resolution 1 - Receipt of Report and Accounts

The Directors must present the Company's Annual Report and Accounts for the financial year ended 31 December 2018 to the AGM. The Annual Report and Accounts for the financial year ended 31 December 2018 are also available on the Company's website: <https://www.dialog-semiconductor.com> - Company - Investor Relations - Annual Reports. Please note that the Directors do not propose to declare a dividend.

RESOLUTION 2 - Approval of Directors' Remuneration Policy

Section 439A of the Act requires a separate resolution on the Directors' Remuneration Policy part of the Directors' Remuneration Report to be put to Shareholders for approval. This vote is binding, which means that all payments to Directors must be consistent with the approved Directors' Remuneration Policy and cannot be made under the Directors' Remuneration Policy until it has been approved by Shareholders.

The Directors' Remuneration Policy must be put to Shareholders for approval at least every three years, or at any time when the Company wants to make changes to the existing Policy or introduce a new Directors' Remuneration Policy. This Resolution proposes that the existing Directors' Remuneration Policy adopted on 28 April 2016 is replaced with the proposed new Directors' Remuneration Policy set out at pages 73 to 78 of the Annual Report and Accounts for the financial year ended 31 December 2018 which is available on the Company's website: <https://www.dialog-semiconductor.com> - Company - Investor Relations - Annual Reports.

Resolution 3 - Approval of Directors' Remuneration Report (excluding the Directors' Remuneration Policy)

In accordance with section 439 of the Act, Shareholders are required to approve a resolution on the Directors' Remuneration Report (excluding the Directors' Remuneration Policy referred to in Resolution 2). The vote on Resolution 3 is advisory.

The Directors' Remuneration Report is set out at pages 70 to 72 and 79 to 85 of the Annual Report and Accounts for the financial year ended 31 December 2018 which is available on the Company's website: <https://www.dialog-semiconductor.com> - Company - Investor Relations - Annual Reports.

Resolutions 4 and 5 – Re-appointment and remuneration of Auditor

Deloitte LLP is required by section 489(1) of the Act to retire at the AGM and seek re-appointment. The Act also requires Shareholders to determine the manner in which the Auditor is remunerated. Resolution 5 gives authority to the Directors to determine the Auditor's remuneration.

Resolutions 6, 7 and 8 – Re-appointment of Directors

Pursuant to the Articles one third of the Directors shall retire at each AGM and, in line with best practice, those Non-executive Directors who have been members of the Board for in excess of nine years are subject to annual re-election. Accordingly, Jalal Bagherli and each of Nicholas Jeffery and Eamonn O'Hare are retiring at the AGM and are each offering themselves for re-appointment in accordance with the Articles. Biographical details for each of them are set out below, and a separate Resolution is proposed for each re-appointment. In line with the Company's commitment to ongoing Board refreshment and renewal, Aidan Hughes is retiring at the AGM and will not be seeking re-appointment. The Board has confirmed that Nicholas Jeffery and Eamonn O'Hare, who are each seeking re-appointment as an Independent Non-executive Director, continue to perform effectively and demonstrate commitment to their roles. Therefore the Board considers that each of Nicholas Jeffery and Eamonn O'Hare should be re-appointed as their wider, current and relevant business experience allows them to contribute effectively to the leadership of the Company.

Jalal Bagherli

Chief Executive Officer

Jalal joined Dialog as CEO and an Executive Board Director in September 2005. He was previously Vice President and General Manager of the Mobile Multimedia business unit for Broadcom Corporation. Prior to that Jalal was the CEO of Alphamosaic, a venture-funded silicon start-up company in Cambridge, focusing on video processing chips for mobile applications. He has extensive experience in the semiconductor industry through his previous professional and executive positions at Sony Semiconductor and Texas Instruments, managing semiconductor product businesses and working with customers in the Far East, Europe and North America.

Jalal has a BSc (Hons) in Electronics Engineering from Essex University, and holds a PhD in Electronics from Kent University, UK.

External appointments:

Jalal is a Non-executive Director of Lime Microsystems Ltd since 2005 and was the Chairman of the Global Semiconductor Association Europe from 2011 to 2013.

Nicholas Jeffery

Independent Non-executive Director, Chair of the Nomination Committee and member of the Remuneration Committee.

Nick joined the Board in July 2016. He has a career of over 20 years in the telecommunications industry. He has held a position on the Vodafone Executive Committee since 2013 and from 1 September 2016 became CEO of Vodafone UK Limited. He has undertaken numerous roles within Vodafone including CEO of the Group's acquired Cable and Wireless Worldwide operations from 2012 to 2013, and CEO of Vodafone Group Enterprise from 2013 to 2016. Having begun his career at Cable & Wireless plc (Mercury Communications) in 1991, he then founded and led Microfone Limited in 2001, whilst serving as Head of Worldwide Sales and Europe Managing Director at Ciena Inc. from 2002 until 2004.

External appointments:

Nick is the Chief Executive of Vodafone UK.

Eamonn O'Hare

Independent Non-executive Director, member of the Audit Committee.

Eamonn joined the Board in May 2014. He was appointed as Chair of the Audit Committee in December 2014 and was replaced by Alan Campbell in July 2015. Eamonn has spent over two decades as CFO of some of the world's fastest-growing consumer and technology businesses. From 2009 to 2013, he was CFO and main board member of the UK's leading entertainment and communications business, Virgin Media Inc. and led its successful sale to Liberty Global Inc. in 2013. From 2005 to 2009, he served as CFO of the UK operations of Tesco plc. Before joining Tesco he was CFO and Board Director at Energis Communications and led the successful turnaround of this high profile UK telecoms company. Prior to this Eamonn spent ten years at PepsiCo Inc. in a series of senior executive roles in Europe, Asia and the Middle East. Eamonn spent the early part of his career in the aerospace industry with companies that included Rolls-Royce PLC and BAE Systems PLC.

External appointments:

Eamonn is the Chairman and CEO of Zegona Communications Plc and a director of Tele2AG.

Resolution 9 - Directors' authority to allot shares

The purpose of Resolution 9 is to renew the Directors' authority to issue shares until the conclusion of the next Annual General Meeting up to an aggregate nominal value of £2,546,071 equating to 25,460,713 shares.

The nominal amount of relevant securities to which this authority will relate represents approximately one third of the issued share capital of the Company of 76,382,139 shares as at 27 March 2019 (being the last practicable date prior to publication of this Notice of AGM). As at 27 March 2019, the Company held no ordinary shares in treasury.

Resolution 10 - Additional authority to allot shares in connection with a rights issue

UK investor guidelines (the Investment Association Share Capital Management Guidelines) make it acceptable to give authority to the Directors to issue up to a further third of the issued share capital (over and above the authority granted under Resolution 9) provided it is only applied on the basis of a rights issue. If any of the additional authority in Resolution 10 is used, all the Directors of the Company wishing to

remain in office shall stand for re-election at the next Annual General Meeting of the Company.

Resolutions 11 and 12 - Disapplication of pre-emption rights

If the Directors wish to issue shares or sell treasury shares for cash they have to abide by the statutory pre-emption rights in the Act. This means that, subject to limited exceptions (including shares allotted under the Company's share and incentive schemes, which are themselves subject to limits), the Directors have to offer any shares they want to issue or treasury shares they want to sell for cash to existing Shareholders first.

Resolution 11 seeks to give the Directors authority to disapply the statutory pre-emption rights where (i) the share issue relates to a pre-emptive issue (in which case all holders of ordinary shares would be made an offer to participate anyway); or (ii) where the allotment or transfer or sale of treasury shares for cash is limited to equity securities having a maximum aggregate nominal value of £381,911 equating to 3,819,110 shares which is equivalent to approximately 5% of the Company's issued share capital of 76,382,139 shares, as at 27 March 2019 (being the last practicable date prior to publication of this Notice of AGM).

Resolution 12 will empower the Directors, in addition to the authority set out in Resolution 11, to allot ordinary shares in the capital of the Company for cash or sell treasury shares for cash (other than pursuant to an employee equity incentive share scheme) on a non pre-emptive basis provided that the power shall be (i) limited to allotments or sales of up to a maximum nominal value of £381,911 (equivalent to approximately 5% of the Company's issued share capital as at 27 March 2019); and (ii) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Directors determine to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on disapplying pre-emption rights most recently published by the Pre-Emption Group prior to the date of this Notice of AGM. Resolutions 11 and 12 are in line with the template resolutions published by the Pre-Emption Group in May 2016.

The Directors do not have any present intention of exercising the authority granted by Resolutions 11 and 12 and do not intend to issue more than 7.5% of the issued share capital of the Company (excluding treasury shares) on a (non-exempt) non pre-emptive basis, save as permitted in connection with an acquisition or specified capital investment as described above, in any rolling three-year period without prior consultation with Shareholders.

Resolutions 13, 14, 15 and 16 - Contingent forward share purchase contracts for off-market purchases of own shares

If passed, Resolutions 13, 14, 15 and 16 (each a **Buyback Resolution** and together the **Buyback Resolutions**), give authority for the Company to enter into a contingent forward share purchase contract (each a **Contingent Forward Share Purchase Contract** and together the **Contingent Forward Share Purchase Contracts**) with each of Barclays, Goldman Sachs, HSBC and Merrill Lynch (each a **Broker** and together the **Brokers**) to purchase from one or more of such Brokers, in aggregate, up to 11,457,321 of its ordinary shares, representing approximately 15% of the Company's issued ordinary share capital as at 27 March 2019 (being the last practicable date prior to publication of this Notice of AGM).

The purpose of the Contingent Forward Share Purchase Contracts is to permit the Company to make off-market purchases of the Company's ordinary shares as a method of returning surplus cash to Shareholders. Any such purchases will be made out of the Company's distributable profits. The Directors will only exercise the Company's rights under the Contingent Forward Share Purchase Contracts if they believe at that time that purchases pursuant to such contracts would be in the best interests of the Shareholders generally and could result in an increase in earnings per ordinary share. The price per share to be paid by the Company to any Broker would be equal to or less than the Average VWAP (as defined below) for the relevant trading period.

The Company may not make market purchases of its shares authorised in accordance with section 701 of the Act because the Frankfurt Stock Exchange (**FSE**) is not a recognised investment exchange for the purpose of section 693 of the Act.

Therefore, if the Company wishes to make a purchase of its shares it must do so in accordance with the provisions for "off-market" purchases of shares set out in the Act. Under sections 693 and 694 of the Act, the Company is not permitted to make off-market purchases of its shares unless it obtains advance Shareholder approval of the terms of the contract pursuant to which it is to purchase its own shares. Such contract may be (as is proposed here) a contingent purchase contract under which, subject to conditions, the Company may become entitled or obliged to purchase shares.

The Buyback Resolutions, which are proposed as special resolutions, therefore seek the approval of the terms of the Contingent Forward Share Purchase Contracts to be entered into with Barclays, Goldman Sachs, HSBC and Merrill Lynch.

Interests in the Company's shares (**CIs**) (rather than shares) are traded and settled on the FSE. Although the CIs are generally referred to as shares, in this Explanatory Note the distinction is made between the shares in the capital of the Company and CIs where relevant.

If the Company wishes to exercise its rights to purchase shares pursuant to any of the Contingent Forward Share Purchase Contracts (a **Share Purchase Transaction**), the Company must give notice in writing (a **Transaction Notice**) to each of the Brokers, specifying the terms on which the Company is willing to purchase shares for that Share Purchase Transaction, including the minimum and maximum total cost of the shares to be purchased from the Broker by the Company, the earliest and latest dates on which the Broker can as principal purchase CIs on the FSE and whether the price per share to be paid by the Company to the Broker will be either:

1. equal to the average of the daily volume weighted average price paid for CIs on the FSE for each day during the agreed trading period (**Average VWAP**), less a percentage discount (the **Percentage Discount**); or
2. equal to the Average VWAP less a percentage (the **Profit Share Percentage**) of the difference between (i) the price that will be paid by the Broker to acquire the CIs, and (ii) Average VWAP.

In the Transaction Notice, the specified maximum total cost of the shares to be purchased from the Broker by the Company in any one Share Purchase Transaction will be no more than € 225 million.

Upon receipt of the Transaction Notice from the Company, each Broker will provide the Company with the following information in writing in relation to the price (the **Price Notice**):

- in relation to 1 above, the Percentage Discount the Broker is willing to give; or
- in relation to 2 above, the Profit Share Percentage the Broker is willing to give,

following which the Company will inform the Brokers which Broker has provided a Price Notice on the most favourable pricing terms to the Company (the **Preferred Broker**).

If two or more Brokers provide a Price Notice on the same terms (each a **Tied Broker**), such that there is no one Broker who has provided a Price Notice on the most favourable pricing terms to the Company, each Tied Broker will submit a

revised Price Notice (each a **Revised Price Notice**) to the Company. The Tied Broker who submits a Revised Price Notice on the most favourable pricing terms to the Company shall be the Preferred Broker.

In the event that two or more Tied Brokers provide a Revised Price Notice on the same terms, such that there is no one Tied Broker who has provided a Revised Price Notice on the most favourable pricing terms to the Company, the Tied Broker who is first in time to submit a Revised Price Notice shall be the Preferred Broker. The Company and the Preferred Broker will (subject to no termination event occurring under the terms of the Contingent Forward Share Purchase Contract) then proceed with the relevant Share Purchase Transaction as set out below.

Notwithstanding the foregoing, a Broker will not be obliged to provide a Price Notice (or a Revised Price Notice) if it would be unable to perform its obligations in respect of a Share Purchase Transaction without being in breach of applicable law, rule or regulation.

Following the purchase of the relevant number of CIs as principal by the Preferred Broker on the FSE and the transfer of the legal title to the corresponding number of shares to the Preferred Broker from Clearstream Banking AG (the operator of the electronic clearing and settlement system for securities on the FSE which holds legal title to the shares in the capital of the Company listed on the FSE to which holders of CIs are beneficially entitled), the Preferred Broker will sell the shares to the Company for a price per share which is equal to or less than Average VWAP (as set out in more detail above) for the relevant trading period (and as part of such settlement process, the underlying CIs will be extinguished).

Each Contingent Forward Share Purchase Contract incorporates the provisions of a 2002 Master Agreement in the form published by the International Swaps and Derivatives Association, Inc. (as amended by the relevant Contingent Forward Share Purchase Contract and including certain termination events which may apply to a Share Purchase Transaction). In accordance with their terms, each of the Contingent Forward Share Purchase Contracts shall expire on the day which is immediately prior to the next Annual General Meeting of the Company or on 30 June 2020 whichever is the earlier, but without affecting any Share Purchase Transaction which has only been partly completed on such date.

The Company will announce the details of each Share Purchase Transaction in accordance with its ongoing regulatory obligations.

The Company may either cancel any shares it purchases pursuant to the Contingent Forward Share Purchase Contracts or may transfer them into treasury (and may subsequently sell them or transfer them out of treasury in order to satisfy the Company's share incentive schemes or cancel them).

Although the Company intends to enter into the Contingent Forward Share Purchase Contracts on or about the date of the AGM on 2 May 2019 (assuming the Buyback Resolutions are passed and the relevant Broker has received any outstanding internal approvals required), the authority granted by a Buyback Resolution to enter into a Contingent Forward Share Purchase Contract will expire on the day which is immediately prior to the next Annual General Meeting of the Company or on 30 June 2020 (whichever is the earlier). The Company will continue to be able to purchase shares under any Contingent Forward Share Purchase Contract entered into before the day which is immediately prior to the next Annual General Meeting and 30 June 2020 (whichever is the earlier) and under which a Share Purchase Transaction has only been partly completed on such date.

A copy of each of the proposed Contingent Forward Share Purchase Contracts will be available at the AGM on 2 May 2019. Copies will also be available for inspection at the Company's registered office at Tower Bridge House, St Katharine's Way, London E1W 1AA during usual business hours from no later than 17 April 2019 until the date of the AGM and at the AGM itself.

From the date of the 2016 Annual General Meeting of the Company to 27 March 2019 (being the last practicable date prior to publication of this Notice of AGM), the Company has, pursuant to the shareholder authorities granted at the 2016, 2017 and 2018 Annual General Meetings of the Company, purchased 4,483,816 of its ordinary shares, which have been cancelled.

Resolution 17 – Amendment to Articles of Association

Resolution 17 is Brexit related. As at 27 March 2019, being the last practicable date prior to publication of this Notice of AGM, it was not known whether or on what terms the UK would leave the EU. The Resolution is intended to help ensure that, whatever the outcome, takeover offers of Dialog will be subject either to the continued shared jurisdiction of the UK Takeover Panel and BaFin in Germany or to the sole jurisdiction of the UK Takeover Panel.

Currently any takeover of Dialog (which is incorporated in the UK and listed on the FSE) would, pursuant to the EU Takeo-

vers Directive, be subject to the shared jurisdiction of the UK Takeover Panel and BaFin in Germany.

If the UK exits the EU then, subject to any transitional period under any withdrawal agreement, the EU Takeovers Directive will no longer apply to companies incorporated in the UK and, accordingly, Dialog will no longer be subject to the shared jurisdiction of the UK Takeover Panel and BaFin. In addition, BaFin will not have jurisdiction in the event of a takeover offer for Dialog and the UK Takeover Panel will only have (sole) jurisdiction if Dialog (which is not listed in the UK) satisfies certain other requirements relating to whether central management and control of Dialog is in the UK. Residency of the Board is a key determinant of these requirements and, at present, only 50% of the Board are UK resident. The current Chairman, Rich Beyer, is a US resident and under Dialog's Articles of Association, as Chairman, has a casting vote at Board meetings. As a result, the UK Takeover Panel would not currently consider Dialog's central management and control to be in the UK and therefore, following the EU Takeovers Directive ceasing to apply in the UK, the UK Takeover Panel would not have jurisdiction in respect of a takeover offer for Dialog. However, by removing this casting vote in the Articles of Association, as proposed in Resolution 17, it is expected that the UK Takeover Panel will regard Dialog's place of central management and control as being in the UK and that takeover offers for Dialog will fall within the jurisdiction of the UK Takeover Panel after the EU Takeovers Directive ceases to apply (subject to maintaining at least parity of UK versus non UK resident Directors).

The Board considers it important to Shareholders, and the Company, that any potential takeover of Dialog is subject to the jurisdiction of an independent takeover regulatory authority which has an interest in ensuring Shareholders are treated fairly and therefore seeks your support for this Resolution. If takeovers of Dialog were not to be subject to the jurisdiction of the UK Takeover Panel, it would be possible for instance for someone to acquire more than 30% of Dialog's shares without being required to make a mandatory cash offer to all Shareholders.

It should be noted that since Dialog has been listed on the FSE (1999) the Chairman of the Board has never exercised a casting vote and, accordingly, the Board considers that the advantages of removing this right outweigh any theoretical disadvantages.

If prior to the AGM on 2 May 2019 an agreement between the UK and the EU is reached such that the Board, in its discretion, considers that this proposed amendment to the Ar-

ticles of Association is not necessary at this time, then the Board may remove the Resolution from consideration at the AGM. This might be the case if the current draft withdrawal agreement (which provides for a transitional period under which Dialog would continue to be subject to the EU Takeovers Directive until December 2020) is put in place.

Resolution 18 - Notice period for general meetings

The Articles allow the Directors to call general meetings other than Annual General Meetings on 14 clear days' notice. However, the Companies (Shareholders' Rights) Regulations 2009 (the **Regulations**) require that all general meetings be held on 21 days' notice, unless Shareholders agree to a shorter notice period, and the Company has met the requirements for electronic voting under the Regulations. Resolution 18 seeks to renew the authority granted by Shareholders at last year's Annual General Meeting which preserved the Company's ability to call general meetings, other than Annual General Meetings, on 14 clear days' notice, such authority to be effective until the Company's next Annual General Meeting, when a similar resolution will be proposed. The Directors confirm that the shorter notice period would not be used as a matter of course for such meeting, but only where flexibility is merited by the business of the meeting and it is thought to be to the advantage of Shareholders as a whole. An electronic voting facility will be made available to all Shareholders for any meeting held on such notice.

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YOUR PERSONAL NOTES

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