Dialog Semiconductor Plc

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 April 21, 2011 at 9.00 a.m. BST (10.00 a.m. CEST) for the purpose of transacting the following business:

To consider, and if thought fit, to pass the following Resolutions which will be proposed as ORDINARY RESOLUTIONS:

RESOLUTION 1 - Receipt of the Company's report and accounts
To receive the Company’s audited accounts for the year ended 31 December 2010 together with the Directors’ report, the Directors’ remuneration report and the Auditors’ report on those accounts and the auditable part of the Directors’ remuneration report for the year ended 31 December 2010.

RESOLUTION 2 - Directors’ remuneration report
THAT the Directors’ remuneration report and the remuneration policy set out in the audited accounts of the Company for the year ended 31 December 2010 be and hereby are approved.

RESOLUTION 3 - Re-appointment of Ernst & Young LLP as Auditors of the Company
THAT Ernst & Young LLP be and are hereby re-appointed Auditors of the Company to hold office until the conclusion of the next Annual General Meeting at which accounts are laid before the Company.

RESOLUTION 4 - Authority to agree the Auditors’ remuneration
THAT the Directors be and hereby are authorised to agree the remuneration of the Auditors.

RESOLUTION 5 - Re-election of Jalal Bagherli as Director of the Company
THAT Jalal Bagherli retiring pursuant to Article 93 of the Company’s Articles of Association be and is hereby re-elected a Director of the Company.

RESOLUTION 6 - Re-election of Gregorio Reyes as Director of the Company
THAT Gregorio Reyes retiring pursuant to Article 93 of the Company’s Articles of Association be and is hereby re-elected a Director of the Company.

RESOLUTION 7 - Re-election of Peter Weber as Director of the Company
THAT Peter Weber retiring pursuant to Article 93 of the Company’s Articles of Association be and is hereby re-elected a Director of the Company.
RESOLUTION 8 - Authority to allot shares

THAT the Directors be and they 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 security into shares in the Company up to an aggregate nominal amount of £2,168,964 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 in pursuance of any such offers or agreements as if the authority conferred by this Resolution had not expired.

RESOLUTION 9 - Additional authority to allot shares in connection with a rights issue

THAT, in addition to Resolution 8, the Directors be and they 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 8) of £4,337,928 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 in pursuance of any such offers or agreements as if the authority conferred by this Resolution had not expired.

RESOLUTION 10 – Remuneration of Non-executive Directors

THAT the changes in the amount and composition of the remuneration of Non-executive Directors summarised in the explanatory notes to this Notice of Annual General Meeting be and are hereby approved and that the Directors be and hereby are authorised to do all acts and things which they may consider necessary or desirable to carry such changes into effect.

To consider, and if thought fit, to pass the following Resolutions which will be proposed as SPECIAL RESOLUTIONS:

RESOLUTION 11 - Disapplication of pre-emption rights

THAT, subject to and conditional upon Resolution 8 and/or, as the case may be, Resolution 9 being passed, the Directors be and they are hereby empowered pursuant to section 570 of the Act to allot equity securities (within the meaning of section 560 of the Act) for cash pursuant to the authority conferred by Resolutions 8 and/or 9 (as applicable) as if section 561(1) of the Act did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities:

(a) in connection with a rights issue, open offer or any other pre-emptive offer in favour of ordinary shareholders (but in the case of any authority granted under Resolution 9, by way of rights issue only) where the equity securities attributable to the interests of all ordinary shareholders are proportionate (as nearly as practicable) to their respective holdings of such shares, but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or any legal, regulatory or practical problems under the laws of any territory or the requirements of any regulatory body or stock exchange; and
(b) otherwise than pursuant to sub-paragraph (a) above up to an aggregate nominal amount of £325,345,

and 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 equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offers or agreements as if the power conferred by this Resolution had not expired.

RESOLUTION 12 - Notice period for general meetings

THAT a general meeting of the Company other than an AGM 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

March 21, 2011

Registered in England and Wales No. 3505161
Notes to the Notice of AGM

1. Documents provided

This Notice is being sent to all members and all CI Holders (as defined in the Company's Articles of Association (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 Important Notes and further details of how you may attend and vote at the AGM is available on the Company's website at http://www.dialog-semiconductor.com and will also be sent to certain Shareholders in hard copy.

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 5.30 p.m. BST (6.30 p.m. CEST) on April 19, 2011 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 interests in shares registered in their name at that time. Changes to the entries in the Register of Members after 5.30 p.m. BST (6.30 p.m. CEST) on April 19, 2011 or, if this meeting is adjourned, in the Register 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 Letter to Shareholders (see 1 above).

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 or shares held by his appointor. 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 Letter to Shareholders. Your proxy must be received no later than 1.00 p.m. BST / 2.00 p.m. CEST on April 19, 2011. Further details in relation to the appointment of proxies are given in the notes to the Letter to Shareholders.

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 March 17, 2011 (being the last practicable date prior to the publication of this Notice), the Company's issued share capital comprised 65,068,930 ordinary shares carrying one vote each, and therefore the total voting rights in the Company as at March 17, 2011 are 65,068,930.
7. Nominated persons

Any person to whom this notice 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 him and the Shareholder by whom he was 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, he 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 does not apply to Nominated Persons. The rights described in that note can only be exercised by Shareholders of the Company.

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. Any corporate Shareholder who wishes (or who may wish) to appoint more than one corporate representative should contact Martina Zawadzki by email at dialog@art-of-conference.de or by telephone on +49 (0) 711 4709-605.

9. Website giving information regarding the AGM

A copy of this Notice, and the other information required by section 311A of the Act, can be found at http://www.dialog-semiconductor.com.

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, 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 auditors 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);
- 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) 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 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 and the website referred to in note 9 to this Notice.

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) 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 the member(s) full name and address and is sent to:

  Dialog Semiconductor Plc
  c/o Art-of-Conference - Martina Zawadzki
  Böblingen Str. 26, 70178 Stuttgart, Germany; or

- a request which is signed by the relevant member(s), states the member(s) full name and address and is sent to fax number +49 (0) 711 4709-713 marked for the attention of Martina Zawadzki.

13. Communication

Except as provided above, Shareholders who have general queries about the AGM should contact Martina Zawadzki by email at dialog@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 Annual General Meeting; or
- 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 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 and 12 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.

Resolutions 1 and 2 - Receipt of report and accounts; approval of remuneration report

The Company’s audited accounts for the year ended 31 December 2010 together with the Directors’ report, the Directors’ remuneration report and the Auditors’ report on those accounts and the auditable part of the remuneration report for the year ended 31 December 2010 are available on the Company’s website http://www.dialog-semiconductor.com. Please note that the Directors do not propose to declare a dividend.

Resolutions 3 and 4 - Appointment and remuneration of Auditors

Ernst & Young LLP are required by the Act to retire at the AGM and seek re-appointment. The Act also requires shareholders to determine the manner in which the Auditors are remunerated.

Resolutions 5, 6 and 7 - Re-election of Directors

Pursuant to the Company’s Articles one third of the Directors shall retire at each Annual General Meeting. Those retiring at the AGM are Jalal Bagherli, Gregorio Reyes and Peter Weber. Jalal Bagherli, Gregorio Reyes and Peter Weber are offering themselves for re-appointment in accordance with the Articles. Biographical details for each of them are set out below.

The Board has confirmed that Greg Reyes, who is seeking re-appointment as Non-executive Chairman, and Peter Weber, who is seeking re-appointment as a Non-executive Director, continue to perform effectively and demonstrate commitment to their roles. Therefore the Board considers that Mr Reyes and Mr Weber 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, in September 2005. He was previously Vice President & General Manager of the Mobile Multimedia business unit for Broadcom Corporation and the CEO of Alphamosaic. He has extensive experience of the semiconductor industry, through his previous professional and executive positions at Texas Instruments and Sony, and a wealth of knowledge about the Far Eastern, European and North American markets. He is a non-executive director of Lime Microsystems Ltd.

Gregorio Reyes
Non-executive Chairman

Gregorio joined the Board in December 2003. His experience is primarily in data storage and magnetic recording, semiconductors, and telecommunications. He was President and CEO of National Micronetics from 1981 to 1984, and Chairman and CEO of American Semiconductor Equipment Technologies from 1986 to 1990. He co-founded Sunward Technologies in 1985 and was Chairman and CEO until 1994. He is currently non-executive chairman of LSI Logic and a non-executive director of Seagate Technology.
Peter Weber
Non-executive Director

Peter joined Dialog on 1 February 2006. He brought with him 35 years' experience, gained at a broad range of companies in the semiconductor sector, including Texas Instruments, Intel, Siliconix, the Temic Group and Netro Corporation. Since 1998 he has been an investor and management consultant, and is a director of a number of companies in Europe and the US. Peter holds an MSEE degree in communications engineering.

Resolution 8 - Directors’ authority to allot shares

The purpose of Resolution 8 is to renew the Directors’ authority to issue shares until the conclusion of the next AGM up to an aggregate nominal value of £2,168,964 equating to 21,689,640 shares. The nominal amount of relevant securities to which this authority will relate represents the aggregate of approximately one third of the issued share capital of the Company.

Resolution 9 - Additional authority to allot shares in connection with a rights issue

UK investor guidelines (the Association of British Insurers) 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 8) provided it is only applied on the basis of a rights issue. If any of the additional authority in Resolution 9 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.

Resolution 10 – Remuneration of Non-executive Directors

The Articles limit the total sum that may be paid by way of Non-executive Directors’ fees to an aggregate amount of £450,000 per annum unless otherwise determined by the Company by ordinary resolution. The Company has taken independent advice, including a benchmark review of non-executive directors’ fees, which revealed that its actual fee rates are currently uncompetitive compared to market rates, particularly given the specialised skill set of the Company’s Non-executive Directors and the roles that they have had within global technology businesses.

The Company believes that, from a shareholder perspective, such expertise, borne of the Non-executive Directors’ deep knowledge of the industry, is a critical asset in terms of their ability to challenge management strategy. In order to retain and attract high calibre Non-executive Directors it is important that the Company has in place an appropriate remuneration policy and structure.

The Company therefore wishes to implement a total fee level which provides a tool that is both attractive and retentive for the Chairman and Non-executive Directors and structured to ensure that the interests of the Chairman and Non-executive Directors are closely aligned with the Company's shareholders taking into account:

- suggested guiding principles that underpin the application of the Company's remuneration policy in practice;
- total fee levels in comparable UK and US semiconductor companies and the wider technology markets where the Company may recruit Non-executive Directors from;
- how fee levels are delivered in these markets; and
- the views of shareholders and other stakeholders.
**Proposed fee structure**

In light of the above guiding principles the Company is proposing the following fee levels for the Chairman and Non-executive Directors which are considered to be competitive levels of remuneration for their services:

<table>
<thead>
<tr>
<th>£000's</th>
<th>Chairman</th>
<th>Non-executive Director</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current fee level</td>
<td>75</td>
<td>50</td>
</tr>
<tr>
<td>Proposed fee level</td>
<td>110</td>
<td>80*</td>
</tr>
</tbody>
</table>

* The Non-executive Directors who chair Board Committees will receive an additional £10,000 which is in accordance with market practice and reflects the extra responsibilities of their roles.

Subject to Shareholder approval 2/3 of the total fees will be delivered in cash with 1/3 in Company equity.

**Equity component**

The key terms of the equity component are as set out below:

<table>
<thead>
<tr>
<th>Overview</th>
<th>One third of the Chairman and Non-executive Directors’ annual total fees will be delivered in Company equity. The number of shares will be calculated using the average 30 day share price preceding the date of allocation. Shares will be delivered in the form of conditional shares or nil-cost options.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restrictions</td>
<td>Each individual shall be entitled to sell their shares, or exercise their nil-cost options, if any, no earlier than three years from the date of allocation and provided they remain in office (unless specific circumstances such as a change of control apply).</td>
</tr>
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</table>

Subject to the passing of Resolution 10, the equity component of the fee level will be allocated immediately after the AGM.

**Resolution 11 - Disapplication of pre-emption rights**

If Directors wish to issue shares they have to abide by the statutory pre-emption rights in the Act. This means that, subject to limited exceptions, Directors have to offer any shares they want to issue 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 is limited to the issue of equity securities having a maximum aggregate nominal value of £325,345 (equating to 3,253,450 shares) which is equivalent to 5% of the Company’s issued ordinary share capital of 65,068,930 shares.

**Resolution 12 - Notice period for general meetings**

Changes made to the Act by the Shareholders’ Rights Regulations increased the notice period required for general meetings of the Company to 21 days unless shareholders approve a shorter notice period, which cannot however be less than 14 clear days’.

Before the coming into force of the Shareholders’ Rights Regulations, the Company was able to call general meetings other than an annual general meeting on 14 clear days’ notice without obtaining such shareholder approval. At the Company's last Annual General Meeting a special resolution was passed which gave the Company shareholder approval to call general meetings on 14 clear days’ notice. In order to preserve this ability, Resolution 12 seeks to renew such approval. The approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed (Annual General Meetings will continue to be held on at least 21 clear days’ notice).

Note that in order to be able to call a general meeting on less than 21 clear days’ notice, the Company must make a means of electronic voting available to all Shareholders for that meeting.