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## Notice to attend the Annual General Meeting of Fingerprint Cards AB (publ)

The shareholders of Fingerprint Cards AB (publ), Corp. Reg. No. 556154-2381 (hereinafter referred to as the "Company"), are hereby invited to attend the Annual General Meeting ("AGM") to be held at 3.00 p.m. on Tuesday, May 26, 2020 at IVA Konferenscenter, Grev Turegatan 16, Stockholm, Sweden.

### A. Right to participate at the Meeting

Shareholders wishing to attend the AGM must be entered in the share register maintained by Euroclear Sweden AB by Tuesday, May 19, 2020 and must notify the Company of their intention to attend the AGM no later than May 19, 2020, either via [www.fingerprints.com/agm2020](http://www.fingerprints.com/agm2020), by telephone +46 (0) 771-246 400 or by mail to: Computershare AB, "Fingerprint Cards AB AGM", P.O. Box 5267, SE-102 46 Stockholm, Sweden.

On giving notice of attendance, shareholders must state their name, personal or corporate identity number, address, telephone number, e-mail address and details of their shareholdings and any attending advisors. A proxy form for shareholders wishing to participate via proxy will be available from the Company's website, [www.fingerprints.com/agm2020](http://www.fingerprints.com/agm2020). Shareholders represented by proxy must issue a dated Power of Attorney authorizing the representation. If a Power of Attorney is issued by a legal entity, a certified copy of the registration certificate or the equivalent for the issuing legal entity must be appended. To facilitate the entrance, the Power of Attorney and registration certificate must be sent by mail to the Company at the above-stated address in due time prior to the AGM. A Power of Attorney must be presented in original. It is valid for no more than a year from issuance unless a longer period is stated in the Power of Attorney, however no more than five years from the issuance.

To be entitled to participate in the proceedings of the AGM, shareholders with shares that are nominee-registered through a bank's trustee department or other trustee must temporarily re-register the shares in their own name with Euroclear Sweden AB. Since such registration must be completed by May 19, 2020, the trustee must be notified in due time before the said date. Participation passes for the shareholders who have registered an intention to participate in the AGM will be sent by regular mail starting on May 19, 2020. The participation pass shall be displayed at the entrance of the AGM premises.

### **Voting in advance**

Shareholders can exercise their right to vote at the AGM by voting in advance, by so called postal vote according to 3 § the law (2020:198) of temporary exceptions to facilitate AGMs.

A special form must be used when voting in advance, the form is available on the Company's website. Shareholders that exercise their right to vote by voting in advance do not need to notify the Company separately of their attendance, their completed form acts as notification. The completed form must be with the Company no later than May 19, 2020, and should be sent to Computershare AB, "Fingerprint Cards AB AGM", P.O. Box 5267, SE-102 46 Stockholm, Sweden, Stockholm. The completed form can also be submitted electronically via a link that will be available on the Company's website ([www.fingerprints.com/agm2020](http://www.fingerprints.com/agm2020)). If the shareholder is a legal entity, the certificate of registration or other authorization documents must be attached. Shareholders may not

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include any instructions or terms when voting in advance, any such votes will not be valid. Further instructions and conditions can be found on the form.

### **Information relating to the coronavirus**

Due to the continued spread of the coronavirus, special measures are put in place to limit the number of persons attending the AGM. Only a limited number of the board of directors' members will attend. Only persons who are shareholders, shareholders' proxies or shareholders' advisors will be allowed to attend the AGM. No refreshments or food will be served.

The Company encourages shareholders to vote in advance to further limit the number of persons attending the AGM, thus contributing to reducing the risk of spreading the coronavirus.

Shareholders will be able to follow the AGM via webcast. A link to the webcast will be distributed via e-mail to shareholders that has voted in advance or has submitted a notification of attendance to the AGM. Shareholders following the AGM via webcast will not be able to exercise their right to vote during ongoing AGM. In order to exercise their right to vote, shareholders must vote in advance or use a proxy.

For shareholders that will not be present at the AGM but who wish to ask questions can submit them to the Company in advance via e-mail to the address [investrel@fingerprints.com](mailto:investrel@fingerprints.com). Shareholders following the AGM via webcast will not be able to ask questions or follow up questions during the AGM.

The Company is closely monitoring the developments and will, if necessary, take further precautionary measures as required. All persons who intend to be physically present at the AGM are advised to stay updated via the Company's website [www.fingerprints.com/agm2020](http://www.fingerprints.com/agm2020).

For up-to-date general information about the coronavirus, please read more at the Public Health Agency of Sweden's website [folkhalsomyndigheten.se](http://folkhalsomyndigheten.se).

## **B. Matters to be addressed at the Meeting**

### **Proposed agenda**

- 1) Opening of the Meeting
- 2) Election of Chairman of the Meeting
- 3) Preparation and approval of the voting list
- 4) Approval of the agenda
- 5) Election of two persons to attest the minutes
- 6) Determination of whether the Meeting has been duly convened
- 7) The President & CEO's presentation
- 8) Presentation of the submitted Annual Report and the Auditor's Report, and the Consolidated Financial Statements and the Auditor's Report on the Consolidated Financial Statements
- 9) Resolutions regarding:
  - a. adoption of the Income Statement and the Balance Sheet, and the Consolidated Income Statement and Consolidated Balance Sheet
  - b. appropriation of the Company's profit/loss according to the adopted Balance Sheet
  - c. discharge from liability of the Board of Directors and the President

- 10) Determination of the number of Board members
- 11) Determination of remuneration of the Board of Directors
- 12) Determination of remuneration of the Auditors
- 13) Election of Board members and Chairman of the Board
- 14) Election of Auditors
- 15) Resolution regarding the Nomination Committee
- 16) Board of Directors' motion concerning approval of guiding principles for remuneration of senior executives
- 17) Board of Directors' motion concerning authorization of the Board to decide on the repurchase and transfer of Class B treasury shares
- 18) Board of Directors' motion concerning authorization of the Board to decide on the issue of new shares with or without preferential rights for the shareholders
- 19) Board of Directors' motion concerning amendment of the articles of association
- 20) Board of Directors' motion concerning authorization of the Board to execute minor adjustments to resolutions passed at the AGM in conjunction with registration with the Swedish Companies Registration Office and Euroclear Sweden AB.
- 21) Closing of the Meeting

Proposals for resolution, etc.

## Nomination Committee's proposals concerning items 2, 10 – 15 on the agenda

The Nomination Committee has been formed in accordance with the resolution passed by the 2019 AGM and comprises Dimitrij Titov (Chairman of the Nomination Committee), Johan Carlström and Elisabet Jamal Bergström.

### ***Item 2 – Election of Chairman for the Meeting***

The Nomination Committee proposes that attorney-at-law Axel Calissendorff be appointed Chairman of the AGM.

### ***Item 10 – Determination of the number of Board members***

The Nomination Committee proposes that the Board of Directors comprise of seven (7) regular members and no deputy members.

### ***Item 11 –Determination of remuneration of Members of the Board***

The Nomination Committee proposes that the fees paid to each Member of the Board be unchanged compared to the previous term. This means that the Nomination Committee proposes that the Board of Directors be paid fees totaling SEK 2,245,000, of which SEK 625,000 to the Chairman of the Board and SEK 270,000 to each other Member of the Board.

Furthermore, fees for work on committees is proposed in an amount of SEK 370,000, to be distributed as follows.

Audit Committee: SEK 115,000 to the Chairman and SEK 60,000 to each other member.

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Remuneration Committee: SEK 65,000 to the Chairman and SEK 35,000 to each other member.

***Item 12 – Determination of remuneration of the Auditors***

Remuneration of auditors is to be paid in accordance with approved invoices.

***Item 13 – Election of Board members and Chairman of the Board***

The Nomination Committee proposes re-election of Sofia Bertling, Johan Carlström, Ted Elvhage, Alexander Kotsinas, Tomas Mikaelsson, Dimitrij Titov and Juan Vallejo. Urban Fagerstedt has declined re-election. It is proposed that Johan Carlström be elected as Chairman of the Board.

Information on the members proposed for re-election can be found on the Company's website, [www.fingerprints.com](http://www.fingerprints.com).

***Item 14 – Election of Auditors***

The Nomination Committee proposes that the Company have a registered firm of accountants as its auditor and that, in accordance with the Audit Committee's recommendation, the registered firm of accountants MOORE KLN AB be re-elected as auditor for a term of office of one year up until the end of the 2021 AGM. MOORE KLN AB has announced the intention that Authorized Public Accountant Ulf Lindesson be appointed Auditor-in-Charge. Information about MOORE KLN AB and Ulf Lindesson is available at [www.mooresweden.se](http://www.mooresweden.se).

***Item 15 – Resolution concerning the Nomination Committee***

The Company is to have a Nomination Committee comprising four (4) members. During the year, the Chairman of the Board is to convene a meeting of the three (3) largest shareholders of the Company in terms of voting power and ask them to each appoint one representative who, in addition to the Chairman of the Board, will constitute members of the Nomination Committee. Should one of the three largest shareholders choose to waive their right to appoint a representative of the Nomination Committee, the shareholder who is next in line in terms of size is to be given an opportunity to appoint a member of the Nomination Committee. The Nomination Committee may also decide, if this is regarded as appropriate, to appoint an additional representative of a group of major shareholders as a co-opted member of the Nomination Committee.

The Chairman of the Board is to convene the first meeting of the Nomination Committee. The member representing the largest shareholder in terms of voting power is to be appointed Chairman of the Nomination Committee, unless the members agree otherwise. The term of office of those appointed to the Nomination Committee extends until such time as a new Nomination Committee is appointed. The composition of the Nomination Committee is to be disclosed no later than six months before the AGM.

The Nomination Committee is to be constituted based on the largest shareholders in terms of voting power registered for the holder or known in some other manner as per the last banking day in August. If one or several of the shareholder/s who has/have appointed members of the Nomination Committee no longer belong to the three largest shareholders, their representative/s is/are to step down, whereupon the/those shareholder/s who has/have been added to three largest shareholders will be entitled to appoint a new representative. However, marginal changes that have occurred in

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the number of voting rights need not be taken into account, assuming that no special circumstances prevail.

If a member steps down from the Nomination Committee before its work has been completed, the Nomination Committee is to urge the shareholder who appointed such a member to appoint a new representative to the Nomination Committee without undue delay. Should this shareholder refrain from appointing a new representative, the right to appoint a new member of the Nomination Committee will accrue to the next largest shareholder in terms of voting power who is not represented on the Nomination Committee. Any changes to the composition of the Nomination Committee must be disclosed as soon as they occur.

The Nomination Committee is to draft proposals on the following issues for resolution by the 2021 AGM:

- proposal concerning Chairman of the Meeting
- proposal concerning Members of the Board
- proposal concerning Chairman of the Board
- proposal concerning auditor
- proposal concerning remuneration of Board members
- proposal concerning remuneration of the auditor
- proposal concerning guidelines for appointing the Nomination Committee

## Board of Directors' motions for resolutions concerning items 9b, 16 – 20 on the agenda

### ***Item 9 b – Appropriation of the Company's profits***

The Board of Directors proposes that the net profit for the year and retained earnings be appropriated in accordance with the motion in the Annual Report. The motion entails that no dividend will be paid.

### ***Item 16 – Board of Directors' motion concerning approval of guiding principles for remuneration of senior executives.***

#### **1. Introduction**

The Board of Directors of Fingerprint Cards has decided to submit to the general meeting the following proposal regarding principles of remuneration for Fingerprint Card AB's Executive Management. The Executive Management is defined as the Chief Executive Officer and other members of the management team. The purpose of these guidelines is to clarify the compensation as decided.

The guidelines are forward-looking, i.e. they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting. The annual general meeting has the right to agree on additional remunerations outside of these guidelines.

## **2. Remuneration Committee**

The remuneration committee evaluates and considers matters regarding remuneration and employment terms and prepares proposals for guidelines for compensation to the CEO and executive management. The board of directors shall evaluate a proposal for new guidelines at least every fourth year and submit it to the AGM. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Remuneration Committee should ensure that remuneration is commensurate with prevailing market conditions for corresponding executives in other companies, and accordingly, that the company's offering to its employees is competitive. The CEO's compensation is approved by the Board of Directors. Compensation to other senior executives is decided by the CEO after consulting with the Remuneration Committee. The members of the remuneration committee are independent of the company and its executive management. The CEO and other members of the executive management do not participate in the board of directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

## **3. Remuneration Principles and the guidelines' promotion of the company's business strategy, long-term interests and sustainability**

Fingerprint Cards aims to attract, engage, develop and retain the right people to drive our business result in line with the company's business strategy. In order to support this, the design and implementation of our remuneration structure shall be performance based; affordable; sustainable; market driven and clear. Compensation shall reflect the scope and complexity of each role, as well as the actual performance of the individual. Fingerprint Cards does not tolerate any form of discrimination and we perform annual reviews to make sure we do not have any salary misalignments based on any discriminating factors such as gender, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation and age.

Variable remuneration covered by these guidelines shall aim at promoting Fingerprint Card's business strategy and long-term interests, including its sustainability.

For more information regarding the company's business strategy, please see [www.fingerprints.com](http://www.fingerprints.com).

Remuneration under employments subject to other rules than Swedish may be duly adjusted to comply with mandatory rules or established local practice, taking into account, the overall purpose of these guidelines.

### **Remuneration Principles**

#### *Performance Based:*

There shall be a strong link between performance (individual - and business result) and compensation. Base salary will depend on the employee's performance against objectives, development progress and living our company values.

#### *Competitive and Sustainable:*

We must create value to secure our present and future capability to pay competitive compensation and we must earn the means for our compensation. It is important to have a balance between our company earnings and our compensation levels.

*Market driven:*

Our salaries shall reflect the scope and complexity of the work. It is our objective to compare our base salaries with relevant market data for the applicable country. Each country forms its own market.

The remuneration principles are also applicable to the rest of the employees at Fingerprint Cards.

In the preparation of the board of directors' proposal for these remuneration guidelines, salary and employment terms for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the remuneration committee's and the board of directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

#### **4. Total Remuneration**

The total remuneration to Executives consists primarily of monthly base salary, short-term incentives, pension, and insurances. If decided in the Annual General Meeting, the total remuneration may also include – irrespective of these guidelines – long term incentives.

##### **4.1 Short Term Incentives (STI)**

Short Term Incentives shall be linked to predetermined and measurable criteria. The Short-Term Incentives include company measures such as Revenue, Operating Profit and Cash Balance. For Executives, 80-90% of the STI is based on company measures, and 10-20% is based on individual performance, with predetermined targets on an annual basis. The criteria shall be designed so as to contribute to Fingerprint Card's business strategy and long-term interests, including its sustainability.

The satisfaction of criteria for awarding STI shall be measured over a period of one or several years. The variable cash remuneration may amount to not more than 100 per cent of the total fixed base salary during the measurement period.

For financial objectives, the evaluation shall be based on financial information made public by the company.

##### **4.2 Pension**

Pension plans are based on defined contribution models, where a premium is paid amounting to not more than 30 per cent of the Executive's fixed annual base salary.

##### **4.3 Insurances**

Executives are provided insurance coverage in accordance with local market practice. Such benefits shall be customary and be of limited amount.

##### **4.4 Termination of employment**

Upon termination of an employment, the notice period may not exceed six months. During the notice period, the executive will continue to receive full base salary and other employment benefits. Upon termination by the company, severance payment could be paid and may not exceed twelve months' base salary. When termination is made by the executive, the notice period may not exceed six months, without any right to severance pay.

Additionally, remuneration may be paid for non-compete undertakings. Such remuneration, if applicable, shall amount to a maximum of sixty per cent of the monthly base salary at the time of

termination of employment, unless otherwise provided by mandatory collective agreement provisions.

#### **4.5 The Board of Directors' right to deviate from the principle of remuneration**

In certain cases the Board of Directors may decide to deviate from these guidelines, in part or in total, if there are special reasons to do so in an individual case and a deviation is necessary to fulfill the company's long term interest, including in relation to sustainability, or to safeguard the company's financial position. As set out above, the remuneration committee's tasks include preparing the board of directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

#### ***Item 17 – Board of Directors' motion concerning authorization of the Board to decide on the repurchase and transfer of Class B treasury shares***

The Board of Directors proposes that the AGM authorize the Board to repurchase, on one or several occasions up until the next AGM, as many Class B shares in the Company as may be purchased without the Company's holding at any time exceeding ten per cent (10 %) of the total number of outstanding shares in the Company. The acquisitions shall take place on Nasdaq Stockholm and only at a price per share within the share price interval registered at that time, which means the difference between the highest buying price and the lowest selling price. Payment for the shares shall be made in cash.

It is also proposed that the Board of Directors be authorized to resolve, on one or several occasions up until the next AGM, to transfer the Company's Class B shares, deviating from the shareholders' preferential rights. Transfers of Class B shares can take place on Nasdaq Stockholm. Transfer may also be made in other ways, against cash payment or against payment through set-off or contribution in kind, or otherwise with conditions. Transfers may be made of no more Class B shares than the number of such shares held by the Company at the time of the Board's decision regarding transfer. Transfers on Nasdaq Stockholm may only be carried out at a price per share within the share price interval registered at that time, which means the difference between the highest buying price and the lowest selling price. If transferred otherwise than on Nasdaq Stockholm, the share price shall be established so that it is not below market terms. However, a discount to the stock market price may apply, in line with market practice.

The purpose of the authorizations is to promote efficient capital usage in the Company and to create flexibility in the Company's ability to seize attractive business opportunities by wholly or partly financing acquisitions of companies or business operations through the transfer of own shares.

#### ***Item 18 – Board of Directors' motion concerning authorization of the Board to decide on the issue of new shares with or without preferential rights for the shareholders***

The Board of Directors proposes that the AGM authorize the Board to resolve, on one or several occasions up until the next AGM, with or without deviation from the shareholders' preferential rights, on new issues of Class B shares, warrants and/or convertibles entitling to subscription of Class B shares, corresponding to no more than ten per cent (10 %) of the total number of outstanding shares in the Company on the day of publication of this notice. The authorization shall also include a right to resolve on a new issue of shares, warrants and/or convertibles against payment through set-



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off or contribution in kind or otherwise with conditions in accordance with the Swedish Companies Act.

Issue of share against payment in cash or through set-off with deviation from the shareholders' preferential rights shall be carried out on market terms.

The purpose of the proposal and the option to deviate from the shareholders' preferential rights is to provide flexibility in connection with possible raise(s) of capital or acquisitions of companies or business operations.

***Item 19 - Board of Directors' motion concerning amendment of the articles of association***

There is no requirement to include information about record day in the articles of association as it is regulated in the Companies Act (2005:551). Further, the current wording of § 9 in the articles of association is not compatible with a proposed amendment of the Companies Act that will enter into force during 2020.

Against this background, the Board of Directors proposes that the AGM resolves to amend § 9 in the articles of association in accordance with below (where the underlined section is proposed to be removed).

**§ 9 Notice of a general meeting**

Notice of a General Meeting of Shareholders shall be made in the form of an announcement in Post och Inrikes Tidningar and on the Company's website. The announcement of this Notice shall be advertised in Svenska Dagbladet. To be entitled to participate in the business of the General Meeting, shareholders must be registered as shareholders in documents or other representation of the entire share register pertaining to the conditions prevailing five business days prior to the Meeting and notify the Company of their intention to attend the Meeting not later than on the date set forth in the notice of the Meeting. This day may not be a Saturday, Sunday, public holiday, Midsummer Eve, Christmas Eve or New Year's Eve, nor may it fall less than five business days prior to the General Meeting. Assistants may only accompany shareholders to a General Meeting if the shareholder provides notification of the number of assistants to the Company no later than the date specified in the Notice of the Meeting

***Item 20 – Minor adjustments***

The Board of Directors proposes that the AGM authorizes the Board, or such person appointed by the Board, to make minor adjustments to the resolutions passed at the AGM should they be required in conjunction with registration with the Swedish Companies Registration Office or Euroclear Sweden AB.

C. Information, documentation and number of shares and votes

A valid resolution pursuant to items 17 – 19 above requires the support of not less than two-thirds of both the votes cast and the number of shares represented at the AGM.

If so requested by any shareholder, and if the Board deems that it will not pose any material damage for the Company, the Board and the President shall disclose information concerning circumstances

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that could affect the assessment of an item on the agenda, circumstances that could impact the financial situation of the Company or its subsidiaries, and the Company's relationship with other Group companies, as well as its consolidated financial statements.

The financial statements, auditor's report, auditor's statement and other documentation will be available at the Company and on its website, [www.fingerprints.com](http://www.fingerprints.com), no later than three weeks prior to the AGM. These documents will also be sent to shareholders requesting such documentation and who have provided their postal address.

On the date of publication of this official notification, the total number of shares in the Company is 313,967,675. The total number of votes is 367,967,675. The Company holds 3,327,122 own shares.

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Gothenburg, April 2020  
Fingerprint Cards AB (publ)  
Board of Directors

#### **About Fingerprints**

Fingerprint Cards AB (Fingerprints) – the world's leading biometrics company, with its roots in Sweden. We believe in a secure and seamless universe, where you are the key to everything. Our solutions are found in hundreds of millions of devices and applications, and are used billions of times every day, providing safe and convenient identification and authentication with a human touch. For more information visit our website, read our blog, and follow us on Twitter. Fingerprints is listed on Nasdaq Stockholm (FING B).