



Press release
October 31, 2016

Notification of Extraordinary General Meeting of Fingerprint Cards AB (publ)

The shareholders of Fingerprint Cards AB (publ), Corp. Reg. No. 556154-2381 (referred to below as “the Company”) are hereby invited to attend the Extraordinary General Meeting (EGM) to be held at 5:30 p.m. on Wednesday, November 30, 2016 at Näringslivets Hus, Storgatan 19 in Stockholm.

A. Right to participate in the Meeting

Shareholders wishing to attend the EGM must be entered in the share register maintained by Euroclear Sweden AB by Thursday November 24, 2016, and preferably notify the Company of their intention to attend the Meeting preferably before 4:00 p.m. on November 24, 2016 via the Company’s website www.fingerprints.com/stamma, by telephoning +46 8 518 01 553 or by regular mail to the following address: Fingerprint Cards AB, c/o Computershare, Box 610, SE-182 16 Danderyd.

On giving notice of attendance, shareholders must state their name, personal or corporate identity number, address, telephone number, e-mail address, any advisors and shareholdings. A proxy form for shareholders wishing to participate via proxy will be available from the Company’s website, www.fingerprints.com. Shareholders represented by proxy must issue a dated power of attorney authorizing the representation. If power of attorney is issued by a legal entity, a certified copy of the registration certificate or the equivalent for the legal entity must be appended. The power of attorney and registration certificate should be sent by letter to the Company at the above-stated address in due time prior to the EGM. Power-of-attorney documents may not be older than five years.

To be entitled to participate in the proceedings of the EGM, owners with shares that are nominee-registered through a bank’s trustee department or other trustee must temporarily register the shares in their own name with Euroclear Sweden AB. Such registration must be completed by November 24, 2016, and the trustee should therefore be notified in due time before the said date. Participation passes for those shareholders who have registered an intention to participate in the EGM will be sent by regular mail starting on November 25, 2016. It will be necessary to display the participation pass when entering the EGM premises.

B. Business at the Meeting

Proposal for 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 verify the minutes
- 6) Determination whether the Meeting has been duly convened
- 7) Board of Directors’ motion concerning approval of guiding principles for remuneration of senior executives
- 8) Board of Directors’ motion concerning resolution on an issue of warrants and resolution on approval of the transfer of warrants, etc.
- 9) Board of Directors’ motion for resolution concerning reduction of share capital through cancellation of repurchased shares, and bonus issue
- 10) Board of Directors’ motion concerning authorization of the Board to execute minor adjustments to resolutions passed at the EGM in conjunction with registration with the Swedish Companies Registration Office and Euroclear Sweden AB.
- 11) Closing of the meeting



Proposals for resolution, etc.

Item 2 – Election of Chairman for the Meeting

The Nomination Committee proposes that attorney-at-law Dimitrij Titov be appointed Chairman of the EGM.

The Board of Directors' motions for resolution concerning items 7-10 on the agenda

Item 7 – Board of Directors' motion concerning approval of guiding principles for remuneration of senior executives

The Remuneration Committee, which is appointed from among Board members, is to prepare guidelines in respect of pay and other employment terms for the President and senior executives and present the Board with proposals in respect of these issues. The Board is to determine the salary and other remuneration payable to the President. The President is to determine the salary and other remuneration payable to other senior executives in accordance with the Board's guiding principles. The term "other senior executives" refers to the individuals who, in addition to the President, constitute Group Management. The basic remuneration levels are to be market-aligned. Remuneration comprises a fixed basic salary, variable remuneration calculated according to predetermined targets, other benefits, pension and financial instruments in the form of warrants. The distribution between fixed salary and variable remuneration is to be proportionate to the executive's responsibilities and authorities. The variable remuneration payable to the President and other senior executives may not exceed 200 % of their fixed annual salary, discounting sign-on bonus. Pensions are to be based on defined-contribution pension schemes. When served by the Company, the period of notice is not to exceed six months. During the period of notice of no longer than six months, full salary and employment benefits are payable. If employment is terminated by the Company, severance pay is payable in an amount corresponding to no more than 12 monthly salaries. Resolutions regarding share and share-price-based incentive programs are to be made by the AGM. The Board of Directors is to be entitled to disapply the guiding principles if, in an individual case, there are special reasons for doing so.

Item 8 – The Board of Directors motion for resolution concerning an issue of warrants and approval of the transfer of warrants, etc.

Shareholders jointly representing approximately 28 percent of the number of votes and approximately 16 percent of the share capital in the Company have declared their support for the Board's motion under this Item. The motion essentially involves the following.

A. The Board proposes that the Company issue a maximum of 1,000,000 warrants. The right to subscribe for warrants shall, by disapplying the shareholder's preferential rights, accrue to Fingerprint Security System Databärare AB, Corp. Reg. No. 556239-5938 ("the Subsidiary"), a wholly owned subsidiary of the Company. Subscription of the new warrants shall occur no later than December 18, 2016 on a separate subscription list. The Board of Directors shall be entitled to prolong the subscription period. The warrants will be issued without charge. The subsidiary shall transfer the warrants according to the terms stated in Item B below.

Each warrant provides entitlement to subscription of one new Class B share in the Company. Subscription of shares in accordance with the terms and conditions for the warrants may occur in the period commencing on November 15, 2019 and ending on December 15, 2019. The subscription price shall total an amount corresponding to 150 percent of the quoted volume-weighted average purchase price for Class B shares in the Company on the Nasdaq Stockholm during the period commencing on December 12, 2016 and ending on December 16, 2016. The increase in the Company's share capital on full exercise of the warrants will amount to not more than SEK 40,000, corresponding to dilution of approximately 0.31 percent of the total number of shares in the Company (0.32 after cancellation of shares according to item 9 A on the agenda) and approximately 0.26 percent of the total number of voting rights in the Company (0.27 after cancellation of shares according to item 9 A on the agenda), taking into account the shares that may be issued as a result of full exercise of already issued warrants and the warrants that may be issued according to this motion.



The reason for disapplying the shareholders' preferential rights is that the employees, by investing themselves, will be able to participate in and work for a positive value trend for the Company's share during the entire period comprised by the proposed program and also to enable the Company to keep and recruit competent and committed employees.

B. The Board proposes that the EGM approve the Subsidiary's transfer of warrants on the following terms and conditions.

The right to acquire warrants from the Subsidiary will accrue to the following categories:

Category	Max number of warrants per person	Max number of warrants for the category
A (CEO)	750,000	750,000
B (other Management)	250,000	250,000

The right to acquire warrants from the Subsidiary shall accrue to the Company's CEO and certain current and future persons in the Management and will only accrue to those employees who have not resigned or been notified of dismissal from the Company at the end of the registration period. The subsidiary shall have the right to repurchase the warrants for the estimated market value if the holder of the warrants terminate their employment, or wish to transfer the warrants to a third party.

It is proposed that the participants' acquisition of warrants is subsidised by the Company through the participants receiving a cash bonus of an amount after tax, calculated by applying a tax rate of 50 percent, equivalent to a total 50 percent of the price of the warrants acquired by the respective participants. One third of the bonus will be paid to the respective participant upon acquisition of the warrants, one third will be paid one year following acquisition of the warrants and one third will be paid two years following acquisition of the warrants. The bonus payments require that the respective participant is still an employee of the Fingerprint Group and still holds the acquired warrants or, where applicable, the shares subscribed through exercising the warrants, at the time of each payment. The Board of Directors are authorised to prepare complete terms and conditions for these bonus payments.

For any future acquisitions, the terms and conditions are to be identical or correspond to what is stated in this motion. This means, inter alia, that acquisitions must be effected at the current market value.

Prerequisites for allotment are firstly that the acquisition of warrants is legally possible and, secondly, that in the view of the Board of Directors, this can occur with reasonable administrative and financial input. Notification to acquire warrants shall occur during the period beginning on December 16, 2016 and ending on December 18, 2016, however, the Board of Directors of the Company shall be entitled to extend the application period for acquisition of the warrants. Eligible participants are entitled to apply for acquisition of warrants in trading lots corresponding to either the highest number of warrants offered or reduced by trading lots of 1,000 warrants. Allotment is to occur in complete trading lots of 1,000 warrants. The final allotment is decided by the Board of Directors. The total number of allotted warrants may however not exceed 1,000,000 warrants.

The warrants are to be transferred on market terms at a price established on the basis of a calculated market value for the warrants using the Black & Scholes valuation model as calculated by an independent valuation institute. Payment for allotted warrants shall be made in cash no later than December 20, 2016, however the Board of Directors shall be entitled to extend the last day for payment. The Board of Directors of the Company will be entitled to cancel warrants that are not transferred to employees or warrants that are repurchased from employees. Cancellation must be reported to the Swedish Companies Registration Office for registration.

C. The Board proposes that the EGM assign the Board of the Company to implement the resolution in accordance with Item A above and ensure that the Board of the Subsidiary implements the transfer of the warrants in accordance with Item B above.

***Item 9 – Reduction of share capital through cancellation of repurchased shares, and bonus issue***

A The Board of Directors proposes that the EGM resolves on a reduction of the Company's share capital by no more than SEK 416,960 from SEK 12,907,827 to no more than SEK 12,490,867. The reduction shall be effected with cancellation of no more than 10,424,000 B-shares repurchased by the Company since the previous annual general meeting. The reduction amount shall be allocated as non-restricted equity to be used as resolved by the EGM in item 9 B below. The resolution to reduce the share capital under this item A may be effectuated without obtaining an authorization from the Swedish Companies Registration Office as the Company simultaneously effectuates a bonus issue, as set out under item 9 B below, with an amount corresponding to no less than the amount the share capital is being reduced with, as set out above. Combined, these measures entail that neither the Company's restricted equity nor its share capital is reduced.

B The Board proposes that the EGM simultaneously with item 9 A resolves to increase the share capital through bonus issue as follows. The share capital shall be increased by an amount corresponding to no more than SEK 416,960 and no less than the amount the share capital is reduced with through cancellation of shares, as set out under item 9 A above. No new shares shall be issued in connection with the bonus issue. The purpose of the bonus issue is to restore the share capital of the Company after the reduction of share capital in item 9 A. The share capital shall be increased by utilizing the non-restricted equity of the Company.

Item 10 – Minor adjustments

It is proposed that the Meeting authorize the Board or the party appointed by the Board to make minor adjustments to the resolutions passed at the EGM 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

For a valid resolution in accordance with Item 8, the resolution must be supported by shareholders representing not less than nine-tenths of both the votes cast and the shares represented at the EGM. For a valid resolution in accordance with Item 9 above the resolution must be supported by shareholders representing not less than two-thirds of both the votes cast and the shares represented at the EGM. The General Meeting of the Subsidiary must also approve the resolution on transfer in accordance with Item 8 B above.

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 are to disclose information concerning circumstances that could affect the assessment of an Item on the agenda, circumstances that could impact the financial situation of Fingerprint Cards or its subsidiaries, and Fingerprint Card's relationship with other Group companies, as well as its consolidated financial statements.

Complete proposals for the resolutions and ancillary documentation concerning items 7 – 9 in the agenda will be available at the Company's office and on the Company's website, www.fingerprints.com, not later than November 9, 2016. Copies of this documentation will be sent to shareholders who have registered for the Meeting and who have provided their postal address.

On the date of publication of this official notification, the total number of shares in the Company was 322,695,675. The total number of votes was 376,695,675. The Company is holding at the time of the notification to the EGM, 10,424,000 own Series B shares, corresponding to 10,424,000 votes that may not be represented at the Extraordinary General Meeting.

Gothenburg, October, 2016
Fingerprint Cards AB (publ)
The Board of Directors



FINGERPRINTS

For more information, contact:

Questions regarding the extraordinary general meeting are answered by Investor Relations, Telephone: +46(0)31-60 78 20, e-mail: investrel@fingerprints.com

Questions about the Board's composition and day-to-day work are answered by the Chairman of the Board, Jan Wäreby. For media inquiries to Jan Wäreby, please contact Malin Strandvall, Press Coordinator, Fingerprint Cards AB (publ), +46(0)70-490 44 79, malin.strandvallfingerprints.com

About Fingerprint Cards AB (publ)

Fingerprint Cards AB (FPC) is a high tech and listed company which develops, produces and markets biometric technology that through the analysis and matching of an individual's unique fingerprint verify the person's identity. A secure and convenient user experience is thus made possible, beyond keys and pins. The FPC technology offers world class advantages and include unique image quality, extreme robustness, low power

consumption and complete biometric systems. With these advantages and in combination with low production costs the technology may be implemented in large volume products as smartphones, tablets and biometric cards where these demands are extremely high. FPC's technology have user cases from a number of applications.

Fingerprint Cards AB (publ), Corp. Reg. No. 556154-2381, discloses this information pursuant to the Swedish Securities Market Act (2007:528) and the Swedish Financial Instruments Trading Act (1991:980). The information was issued for publication on October 31, 2016 at 08.55 CET.

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