

Fingerprint Cards AB (publ): The Nomination Committee's proposals and motivated opinion ahead of the 2018 Annual General Meeting

The Nomination Committee of Fingerprint Cards AB (publ) (the "Company"), which is comprised of Johan Carlström (own shareholding), Jan Wäreby (Chairman of the Board) and Dimitrij Titov (representing Velociraptor Ltd) has notified that it will present the following proposals at the Annual General Meeting ("AGM") in respect of Items 2 and 10-15 of the proposed agenda included in the official notice:

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 Members of the Board

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 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.

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 reelection of Urban Fagerstedt, Alexander Kotsinas, Tomas Mikaelsson and Dimitrij Titov. It is proposed that Johan Carlström, Ted Elvhage and Juan Vallejo be elected as new Members of the Board. It is proposed that Johan Carlström be elected as Chairman of the Board. Jan Wäreby, Åsa Hedin, Carl-Johan von Plomgren and Ann-Sofie Nordh have declined reelection. It is noted that Dimitrij Titov has not participated in the Nomination Committee's proposal regarding himself.

Presentation of proposed new Members of the Board

Johan Carlström (born 1963)

Employment and other Board assignments

Private investments in own companies

Owner and Member of the Board in Sunfloro AB

Owner of Velociraptor Ltd

Education

Economics programme at Uppsala University and Stockholm University

Background

CEO of Fingerprint Cards AB, 2009-2015

Member of the Board of Fingerprint Cards AB, 2013-2014

Salesperson, business developer and entrepreneur during 20 years in the Telecom & IT-business

May 25, 2018



Johan Carlström is independent in relation to the Company but dependent in relation to the Company's major shareholders.

Shareholdings and holdings of financial instruments in the Company (own as well as of persons closely related)

Class A shares: 6,000,000 through Velociraptor Ltd

Class B shares: No information

Ted Elvhage (born 1968)

Employment and other Board assignments

Co-owner, CEO and Board member of XLNT Optimization AB

Co-owner and Chairman of the Board of Keiretsu Forum Nordics AB

Member of the Board of WTS - Wonder Technology Solutions AB, Gradientech AB, E14 Invest AB, Stockholms Affärsänglar Management AB, STOAF III Venture Partners AB as well as CEO of STOAF Competence AB

Education

BSc Biochemistry & Minor Business and Administration, Millersville University of Pennsylvania

Background

2014- Investor and advisor, XLNT Optimization

2013-2014: Sales manager, Kivra

2010-2013: Sales manager in Sweden, HP Software

2008-2010: Sweden manager, Comperio

2005-2008: Nordic sales and value added reseller, XLNT Optimization

2001-2005: Salesperson within the industry and trade segment, Mercury Interactive

1999-2001: Salesperson and manager, Catwalk Interactive

1993-1999: Salesperson and sales manager, Colly Company

Ted Elvhage is independent in relation to the Company and the Company's major shareholders.

Shareholdings and holdings of financial instruments in the Company (own as well as of persons closely related)

2,270 class B shares

30 000 call options FINGB

Juan Vallejo (born 1957)

Employment and other Board assignments

Chairman of the Board of ITS Energy Group AB and Helenius Ingenjörbyrå AB

Member of the Board of Coromatic Group AB, Qmatic Group AB, Mercuri International Group AB and Elajo Invest Aktiebolag (publ)

Education

Civil Engineer, Royal Institute of Technology

Background

2011-2014: CEO, Imtech Nordic

2006-2010: CEO, Niscayah Group

1992-2006: Securitas Group Management

Juan Vallejo is independent in relation to the Company and the Company's major shareholders.

Shareholdings and holdings of financial instruments in the Company (own as well as of persons closely related)
No holdings

Information regarding the Members of the Board proposed for re-election is available at the Company's website, 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 Stephens KLN AB](#) be elected as auditor for a term of office of one year up until the end of the 2019 AGM. [Moore Stephens KLN AB](#) has announced the intention that Authorized Public Accountant [Ulf Lindesson](#) be appointed Auditor-in-Charge. [Information about Moore Stephens KLN AB and Ulf Lindesson is available at <http://www.moorestephens.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 [member](#) 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 [member](#) 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 [member from](#) 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 [appointed by](#) the largest shareholder in terms of voting power is to be appointed Chairman of the Nomination Committee. 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 [member/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 [member](#). However, marginal changes that have occurred in 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 [member](#) to the Nomination Committee without undue delay. Should this shareholder refrain from appointing a new [member](#), the right to appoint a new member of the Nomination Committee will accrue to the next largest shareholder in terms of voting power who [has not already appointed a member of](#) 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 2019 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

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May 25, 2018



The Nomination Committee's opinion regarding its proposal to the Board

The Nomination Committee has also comprised Claes Romander, who represented Ola Rollén, during a part of the mandate period. Claes Romander resigned from the Nomination Committee on 13 February 2018. The Nomination Committee has subsequently sought the shareholder next in line in terms of voting power, only for that shareholder to decline participation in the Nomination Committee.

In order to assess the demands that will be placed on the Board with regards to the Company's operations, phase of development and other circumstances, the Nomination Committee has discussed the size and composition of the Board. The Nomination Committee is of the opinion that the size of the Board should be reduced compared to the previous mandate period. A Board consisting of 7 members and with the proposed composition has been deemed to fulfill the requirements that can be attributed to the Board work going forward.

Ahead of the AGM 2018, the Nomination Committee has held five formal meetings and in between held regular contacts concerning different issues of the Nomination Committee as well as held meetings with Board candidates.

A board evaluation has been carried out by having members of the Board answer a number of questions about the Board's work. The answers were then compiled and reported by the Chairman of the Board and discussed by the Board. The Nomination Committee has thereafter in order to make correct assessments of the Board's composition, taken part of and together with the Chairman of the Board gone through the board evaluation and the Board's work as well as the Chairman of the Board's statement of the Company's operations, objectives and strategies.

The Nomination Committee has also analyzed the competence and experience of the Board members as well as gender balance, and compared to the needs identified. The Nomination Committee considers that the proposed Board has great breadth and holds extensive experience, including from the business, technology and financial markets, telecom and IT, semiconductor industry and in business law and corporate acquisitions.

The Nomination Committee has applied item 4.1 of the Swedish Code of Corporate Governance (the "Code") as the diversity policy and strives continuously to meet the requirements of the Code on versatility, breadth and gender balance of the Board. The Nomination Committee is aware of the imbalance in the gender balance of the proposed Board. However, the work to achieve a better balance ahead of the next AGM is continued.

The Nomination Committee has also had numerous contacts with the Audit Committee regarding the Audit Committee's recommendations on the election of the auditor.

For further information, please contact:

Johan Carlström, Chairman of the Nomination Committee

+46(0)10-172 00 10

investrel@fingerprints.com

About Fingerprints

Fingerprint Cards AB, Fingerprints, with its Swedish roots, is the leading global biometrics company, whose mission is to spearhead the development of biometric interaction that facilitates the convenience and integrity of the individual. Its value is proven daily by users in millions of devices, through billions of touches, who are their own key – quite simply, with a human touch. Fingerprints develops biometric systems comprising sensors, algorithms, software and packaging technologies. The success is based on product development at the cutting edge of technology, which results in world-leading products in terms of security, convenience and performance. The current product range consists largely of fingerprint sensors and customers are primarily manufacturers of smartphones and tablets, where the company is market leading. As the use of biometric solutions increases, Fingerprints is working to broaden its offering by using different biometric techniques, or modalities, and to identify other market segments where the solutions can be used, such as smart cards, PCs, automotive and online devices (IoT). Fingerprints is listed on Nasdaq Stockholm (FING B).