

## **THE NOMINATION COMMITTEE'S PROPOSALS AND MOTIVATED OPINION AHEAD OF FINGERPRINT CARDS AB'S (PUBL) 2019 ANNUAL GENERAL MEETING**

The Nomination Committee of Fingerprint Cards AB (publ) (the "Company"), which is comprised of Johan Carlström (Chairman of the Board), Dimitrij Titov (representing Velociraptor Ltd) and Rikard Andersson (representing SEB Investment Management AB) 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 eight (8) 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 2,515,000, 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 Johan Carlström, Ted Elvhage, Urban Fagerstedt, Alexander Kotsinas, Tomas Mikaelsson, Dimitrij Titov and Juan Vallejo. It is proposed that Sofia Bertling be elected as new Member of the Board. It is proposed that Johan Carlström be elected as Chairman of the Board.

## **Presentation of proposed new Member of the Board**

### **Sofia Bertling (born 1970)**

#### Employment and other Board assignments

General Manager SECTRA Medical Education, i.e. Manager of the business unit Medical Education, and part of SECTRA AB's executive management team, which comprises eight people.  
Chairman of the Board and CEO of the dormant company ReachIT Consulting AB.

Education

Master of Science in Material Science, KTH Royal Institute of Technology

Doctor of Science (Technology), KTH Royal Institute of Technology

Background

2018- General Manager SECTRA Medical Education.

2015-2017 CEO, HERMES Medical Solutions AB, Inc, China, i.e. Hermes companies in the United States, Canada, China and Sweden, including UK subsidiaries.

2008-2015 COO HERMES Medical Solutions

2006-2008 Quality Manager HERMES Medical Solutions

2005-2006 Project Manager HERMES Medical Solutions

1994-1999 Research Engineer Swerea KIMAB

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](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 Stephens KLN AB be re-elected as auditor for a term of office of one year up until the end of the 2020 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 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 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 2020 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

#### **The Nomination Committee's opinion regarding its proposal for the Board**

During the process of appointing the Nomination Committee, the Chairman of the Board tasked Fingerprint Cards AB's Legal Counsel with contacting the other major shareholders in terms of votes, but they declined to participate. Consequently, the Company is deviating from the Swedish Code of Corporate Governance, since the majority of the Nomination Committee, including its chairman, are members of the Company's Board of Directors.

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. In view of the well-functioning board, as well as the demands on the Board going forward, the nomination committee considers that the Board should consist of eight members, which means that the Board is extended by one member.

Ahead of the 2019 AGM, 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 the gender balance, and compared this to the needs identified. The Nomination Committee considers that the proposed Board has great breadth and holds extensive experience, including from business, technology and financial markets, telecom and IT, the semiconductor industry, as well as in business law and corporate acquisitions.

The Nomination Committee has applied item 4.1 of the Swedish Code of Corporate Governance (the "Code") as diversity policy and continuously strives to meet the requirements of the Code on versatility, breadth and gender balance of the Board. The proposed Board signifies that the Nomination Committee has taken a step towards a more even gender distribution, and the Committee deems that this work needs to continue.

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