



Press release
March 21, 2017

Notice to attend 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 Thursday, April 20, 2017 at Hotel Gothia Towers, Mässans Gata 24 in Gothenburg, Sweden.

A. Right to participate in the Meeting

Shareholders wishing to attend the AGM must be entered in the share register maintained by Euroclear Sweden AB by Wednesday, April 12, 2017, and notify the Company of their intention to attend the AGM no later than April 12, 2017, either via the Company’s website www.fingerprints.com/arsstamma, by telephoning +46 8 518 01 553 or by posting a letter 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 and details of any attending advisors and as well as of their 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 must be sent by letter to the Company at the above-stated address in due time prior to the AGM. Power-of-attorney documents may not be older than five years.

To be entitled to participate in the proceedings of the AGM, owners with shares nominee-registered through a bank’s trustee department or other trustee must temporarily reregister the shares in their own name with Euroclear Sweden AB. Since such registration must be completed by April 12, 2017, the trustee must be notified in due time before the said date. Participation passes for those shareholders who have registered an intention to participate in the AGM will be sent by regular mail starting on April 13, 2017. It will be necessary to display the participation pass when entering the AGM premises.

B. Matters be addressed 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 approve the minutes
- 6) Determination whether the Meeting has been duly convened
- 7) The President’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) Motion concerning the Nomination Committee
 - a) Nomination Committee's proposals
 - b) Shareholder proposals
- 16) Board of Directors' motion concerning approval of guiding principles for remuneration of senior executives
- 17) Board of Directors' motion concerning adoption of a long-term incentive program (performance-based share program) for employees of the Company
- 18) Board of Directors' motion concerning authorization of the Board to decide on the buyback and transfer of Class B treasury shares
- 19) Board of Directors' motion concerning a resolution to reduce the share capital through the cancelation of the bought back shares, as well as a bonus issue.
- 20) Board of Directors' motion concerning a resolution to amend the Articles of Association
- 21) Board of Directors' motion concerning authorization of the Board to decide on the issue of new shares with preferential rights for the shareholders
- 22) Shareholder proposal concerning a resolution to assign the Board to investigate the possibility of delisting the Company's Class B shares from the Stockholm Stock Exchange and to subsequently list them on another marketplace
- 23) Shareholder proposal concerning a resolution to assign the Board to:
 - a) demand full compensation from the party/those parties who has/have caused damage to the Company in the form of the payment of additional fees to Nasdaq OMX
 - b) to sue for damages the/those individual/individuals or legal entities who have blatantly damaged the Company's reputation in the market
- 24) 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.
- 25) Closing of the meeting

Proposals for resolution, etc.

Nomination Committee's proposals concerning items 2, 10-15 on the agenda, and the shareholder's proposal under Item 15

The Nomination Committee has been formed in accordance with the resolution passed by the 2016 AGM and comprises Dimitrij Titov, Tommy Trollborg and Johan Carlström.

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 nine (9) 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 4,450,000, of which SEK 930,000 to the Chairman of the Board and SEK 440,000 to each other Board member.

Fees for work on committees will be payable in an amount of SEK 515,000, to be distributed as follows:

Audit Committee: SEK 165,000 to the Chairman and SEK 85,000 to each other member.

Remuneration Committee: SEK 90,000 to the Chairman and SEK 45,000 to each other member.



If tax-related prerequisites for invoicing exist, and on condition that it is cost-neutral for the company, the possibility of invoicing director fees from the member's own company will be provided. If a Board member invoices his/her director fee via a company, the fee will be increased by an amount corresponding to social security contributions and statutory VAT.

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:

- (1) Jan Wäreby
- (2) Urban Fagerstedt
- (3) Michael Hallén
- (4) Åsa Hedin
- (5) Tomas Mikaelsson
- (6) Carl-Johan von Plomgren

and new election of

- (7) Alexander Kotsinas
- (8) Ann-Sofie Nordh
- (9) Dimitrij Titov

It is proposed that Jan Wäreby be reelected as Chairman of the Board. Katarina Bonde and Peter Carlsson have declined reelection.

A detailed description of the proposed members 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 KPMG AB be reelected as auditor for a term of office of one year up until the end of the 2018 AGM. KPMG AB has announced the intention that Authorized Public Accountant Joakim Thilstedt be appointed Auditor-in-Charge.

Item 15 – Resolution concerning the Nomination Committee

a) Nomination Committee's proposals

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. 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 2018 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

b) Shareholder proposals

The shareholder Daniel Guner Holding AB has submitted the following proposals.

Primary proposal

It is proposed that the instructions for the Nomination Committee be adjusted so that the Nomination Committee will comprise four members and that the fourth member, also the Chairman of the Nomination Committee, be appointed by the AGM, in the manner stipulated below, and that Björn Riese be appointed Chairman of the Nomination Committee.

The Nomination Committee is to be appointed prior to the 2018 AGM by having the Chairman of the Board contact the three largest shareholders in terms of votes registered as owned or in some other known manner as per September 1, 2017 and to urge these to each appoint one member to the Nomination Committee. The fourth member of the Nomination Committee, who is also to be the Chairman of the Nomination Committee and who thus may not be the Chairman of the Board, is to be appointed by the AGM. The Nomination Committee will comprise the members appointed in the aforementioned manner. Should a shareholder who has appointed one of the members of the Nomination Committee cease to belong to the three largest shareholders in the Company in terms of voting power, or should a member of the Nomination Committee step down from the Committee prior to the 2018 AGM for some other reason, the members of the Nomination Committee in consultation with the three largest shareholders in terms of voting power are to be entitled to appoint another representative of the three largest shareholders in terms of voting power to replace such a member. The names of the members of the Nomination Committee who are not appointed by the AGM shall be announced no later than six months prior to the 2018 AGM.



The Nomination Committee is to draft proposals on the following issues for resolution by the 2018 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 Members of the Board
- proposal concerning remuneration of the auditor
- proposal concerning guidelines for appointing the Nomination Committee

Secondary proposal

It is proposed that when establishing the largest, second largest and third largest shareholders in terms of voting power in accordance with the instruction for appointing the Nomination Committee, the number of voting rights be calculated as follows:

- a) Each Class B share held will be counted as one vote regardless of whether the shares are held through an endowment policy, an Investment Savings Account or a share depository.

Shares held according to Item a), which are owned by different individuals or companies, are to be aggregated and counted as being held by one owner if the individual owners announce that they want their holdings to be aggregated in this way.

Board of Directors' motions for resolution concerning items 9b, 16-21 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' motions for resolution 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 decides on pay and other remuneration of 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 the Executive Management Group. The basic remuneration levels are to be market-based. Remuneration comprises a fixed basic salary, variable remuneration calculated according to predetermined targets, other benefits, pension and financial instruments in the form of performance shares. 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 100% of their fixed annual salary, with the exception of a sign-on bonus. Pension terms and conditions are to be based on defined-contribution pension schemes. The period of notice from the Company 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 not more than 12 monthly salaries. Decisions regarding share and share-price-based incentive programs are to be made by the AGM. In certain cases, the Board of Directors is to be entitled to disapply the guidelines if special circumstances prevail.



Item 17 – Board of Directors’ motion concerning adoption of a long-term incentive program (performance-based share program) for employees of the Company

The Board of Directors proposes that the AGM resolve to adopt a long-term performance-based incentive program for employees of the Fingerprint Group. The resolution according to Item 17(i) is also to be subject to the condition that the AGM resolve on hedging measures pursuant to the incentive program, either in accordance with the Board’s motion under Item 17(ii) below or in accordance with the Board’s motion under Item 17(iii) below.

The Board of Directors considers it to be beneficial for the Company that key personnel in the Company have a long-term interest in the favorable performance of the Company’s shares. The overall purpose of adopting a long-term performance-based incentive program is to create a close alignment of interest between the members of staff and the shareholders, and to create long-term commitment to the Company.

Adoption of an incentive program (Item 17(i))

The program in brief

The Board of Directors proposes that the AGM resolve to adopt a long-term incentive program (“**LTIP 2017**”). It is proposed that LTIP 2017 encompass 25 individuals within the Fingerprint Group. Within the framework of LTIP 2017, the participants will be given an opportunity to receive Class B shares free of charge, also known as “**Performance Shares**,” according to the terms and conditions specified below.

Within the framework of LTIP 2017, the company will allot to participants awards for Performance Shares, whereby the award, assuming that certain terms and conditions are fulfilled, will provide entitlement to the receipt, free of charge, of one Performance Share (“**Awards**”).

Terms and conditions

An award may be exercised on condition that the participant, with certain exceptions, remains an employee of the Fingerprint Group from the start of LTIP 2017 for the particular participant until the day that falls three years thereafter, although not earlier than after the 2020 AGM (“**the Performance Period**”). The final date for the start of LTIP 2017 will be June 30, 2017.

In addition to the requirement concerning the participant’s continued employment, as stated above, a requirement has been set that certain performance targets will have to be fulfilled. The allotment of Performance Shares is to be based on a target floor and a target ceiling established by the Board in respect of the accumulated performance of the operating margin and growth during the Performance Period, which matches the long-term financial ambitions presented in the year-end report for 2016.

The number of Awards that can result in allotment of Performance Shares increases linearly between the target floor and the target ceiling. However, a requirement for the Awards to result in allotment of performance shares is that the target floor is achieved or surpassed. If the established target floor is achieved, 1 percent of each participant’s Awards will provide entitlement to Performance shares. If the target ceiling is achieved, 100 percent of each participant’s Awards will provide entitlement to Performance shares.

The target floor is achieved at 80 percent fulfillment of the performance targets during the Performance Period and the target ceiling is achieved at 120 percent fulfillment of the performance targets.

Awards

In addition to the above, the Awards are to be subject to the following terms and conditions:

- (i) The Awards will be allotted free of charge no later than June 30, 2017.



- (ii) The Awards will be vested during the Performance Period.
- (iii) The Awards may not be transferred or pledged.
- (iv) Each Award provides the participant with entitlement to receive one Performance Share after the close of the Performance Period (with certain exceptions whereby the date of receipt can be brought forward), on condition that the participant, with certain exceptions, remains employed by the Fingerprint Group at the close of the Performance Period. Should delivery of Performance Shares not work well in any country, the participant will instead receive the corresponding value in cash.

Design and management

The Board of Directors is to be responsible for the detailed design and management of the terms and conditions for LTIP 2017, within the framework of the specified terms, conditions and guidelines, including provisions concerning recalculation should a bonus issue, share split and/or similar event occur in the interim period. In this connection, the Board is to be entitled to make any adjustments required to fulfill special regulations outside Sweden or required by market conditions. The Board is also to be entitled to make any other adjustments should material changes occur in the Fingerprint Group or its business environment that would entail that the decided terms and conditions for LTIP 2017 are no longer be deemed viable.

Allotment

The participants are to be divided into various categories and, in accordance with the above, LTIP 2017 will mean that it will be possible for the following Awards to be allotted to participants within the various categories:

- (i) the CEO may be allotted a maximum of 174,500 Awards, which provide the holder with at most one (1) Performance Share for each Award;
- (ii) members of the Executive Management Group (EMG) (maximum of eight persons): participants in this category may jointly be allotted a maximum of 232,200 Awards, although the maximum allotment for each holder is 25,800 Awards per person, which provide the holder with at most one (1) Performance Share for each Award; and
- (iii) other senior executives who report to a member of the EMG (maximum of 15 persons): participants in this category may jointly be allotted a maximum of 211,500 Awards, although the maximum allotment for each holder is 14,100 Awards per person, which provide the holder with at most one (1) Performance Share for each Award.

Allotment of Performance Shares in accordance with LTIP 2017 and hedging methods

To be able to implement LTIP 2017 cost-effectively and flexibly, the Board has considered various methods for the transfer of Class B shares to participants in LTIP 2017. In so doing, the Board of Directors has found that the most cost-effective alternative is to buy back and transfer treasury shares. Accordingly, the Board of Directors proposes, as the main alternative, that the AGM in accordance with Item 17(ii) below resolve to (a) authorize the Board on one or several occasions up to the 2018 AGM to make decisions on the buyback of at most 812,438 Class B shares and (b) that the AGM resolve on a free-of-charge transfer of at most 618,200 Class B shares to participants in accordance with LTIP 2017 and that it be possible to transfer at most 194,238 Class B shares on Nasdaq Stockholm at a price within the registered span of share prices at the particular time in order to cover any social security contributions due to LTIP 2017.



Should the majority required for Item 17(ii) not be achieved, the Board proposes that the Company be able to enter into share-swap agreements with a third party in accordance with Item 17(iii) below.

Scope and costs of LTIP 2017

LTIP 2017 will be recognized in accordance with IFRS 2 and be accrued straight line over the Performance Period. The cost will be recognized according to IFRS 2, based on the price of the share at the start of the program. The annual cost of LTIP 2017 is assumed to be approximately SEK 13.8 million, including social security contributions on the allotted shares at the close of the program, calculated according to IFRS 2 on the basis of the following assumptions: (i) that 618,200 Awards are allotted, (ii) that the share price at the start of LTIP 2017 amounts to SEK 55 per Class B share, (iii) that the share price increases by 10 percent annually during the Performance Period, resulting in a final share price after the Performance Period of SEK 73.2. (iv) that employee turnover amounts to 5 percent annually, (v) that social security contributions of 31.42 percent are calculated on the costs, and (vi) that the performance targets are achieved in full.

If the performance targets are achieved in part so that 50 percent of the Performance Shares are allotted and the other assumptions stated above apply, the annual costs for LTIP 2017 have been calculated at approximately SEK 6.9 million, including social security contributions, calculated according to IFRS 2.

Effects on key performance data and dilution

At maximum allotment of Performance Shares and assuming that hedging measures according to Item 17(ii) below are adopted by the AGM, 618,200 Class B shares will be allotted to participants of LTIP 2017, and 194,238 Class B shares will be used to cover possible social security contributions due to LTIP 2017, which represents a total dilution effect of approximately 0.25 percent of the share capital and 0.21 percent of the voting rights in the Company.

Assuming that the performance targets are achieved in part at a rate of 50 percent and that the other assumptions described above apply, the annual costs for LTIP 2017, including social security contributions, have been calculated at approximately SEK 6.9 million, which on an annual basis corresponds to 2 percent of the Company's total personnel costs, including social security contributions, during the 2016 fiscal year. The costs are expected to have a marginal impact on the company's key performance data.

Hedging measures due to the program

Motion concerning authorization of the Board to make decisions regarding buybacks and transfers of Class B treasury shares for participants of the program and in the market (Item 17 (ii))

The Board of Directors proposes that the AGM authorize the Board, on one or more occasions prior to the 2018 AGM, to decide on the buyback of no more than 812,438 Class B shares. The shares are to be bought back on Nasdaq Stockholm at a price within the registered span of share prices (the share spread) at the particular time, by which is meant the span between the highest price paid and the lowest asked price, and to otherwise observe the regulations pursuant to the Exchange Rules. The reason for buying back the Company's own shares is to secure delivery of performance shares in accordance with LTIP 2017, and to cover possible social security costs due to LTIP 2017.

The Board of Directors also proposes that the AGM authorize the Board on one or several occasions up to the next AGM to decide that the Class B shares that the company buys back pursuant to the buyback authorization as described above can be transferred free of charge to the participants of LTIP 2017 in accordance with the decided terms and conditions, to be transferred in order to cover any social security contributions pursuant to LTIP 2017.

Accordingly, the Board of Directors proposes that the AGM resolve that at most 618,200 Class B shares will be transferable to participants in accordance with the terms and conditions for LTIP 2017, and that at most



194,238 Class B shares will be transferable on Nasdaq Stockholm at a price per share that is within the registered span of share prices at the particular time to cover to cover any social security contributions connected to LTIP 2017. The number of shares that are transferable will be subject to recalculation should a bonus issue, share split and/or similar event occur in the interim period.

The reason for disapplying the shareholders' pre-emptive rights to acquire the Company's treasury shares is to enable the Company to secure delivery of shares under LTIP 2017.

Share-swap agreements with a third party (Item 17(iii))

Should the majority required for Item 17(ii) above not be achieved, the Board proposes that the AGM resolve to hedge the financial exposure that is expected to result from LTIP 2017 by the Company being able to enter into share-swap agreements on market terms with a third party, whereby the third party will be able to acquire Class B shares in the Company and transfer them to the program participants. The relevant number of shares is to match the number of shares proposed under Item 17(ii) above.

Reasons for the motion

The Board of Directors considers it to be beneficial for the Company that key personnel in the Company have a long-term interest in the favorable performance of the Company's shares. The overall purpose of adopting a long-term performance-based incentive programs is to create a close community of interest between the members of staff and the shareholders, and to create long-term commitment to the Company. LTIP 2017 is to constitute a core component of the overall competitive remuneration package, designed to attract and retain senior executives and top managers that are decisive to the Company's long-term success. Although LTIP 2017 has been designed so that the program encompasses 25 employees, the Board may, in exceptional cases, decide that additional employee/s are to be affiliated to the program after the final date for the start of LTIP 2017 has passed.

In view of the above, the Board is of the opinion that LTIP 2017 will have a positive effect on the Fingerprint Group's future performance and will thus be beneficial for both the Company and its shareholders.

Preparation of the motion

LTIP 2017 has been initiated by the Board of Directors and formulated in consultation with external advisors. The program has been prepared in the Remuneration Committee and was addressed in Board meetings in early 2017.

Other incentive programs in the Company

The company has no outstanding incentive programs at present.

Terms and conditions

The AGM's resolution concerning the introduction of LTIP 2017 according to Item 17(i) above is subject to the AGM either passing a resolution in accordance with the Board's motion under Item 17(ii) above or in accordance with the Board's motion under Item 17(ii) above.

Item 18 – Board of Directors' motion concerning authorization of the Board to decide on the buyback and transfer of Class B treasury shares

The Board of Directors proposes that the AGM authorize the Board on one or several occasions up to the next AGM to make decisions concerning the buyback of a number of Class B shares in Company that at each point in time does not exceed 10% of all of the shares in the Company, taking into account the treasury shares and any shares bought back by the Company according to Item 17 above.



The shares are to be acquired on Nasdaq Stockholm and may only be acquired at a price within the registered span of share prices at the particular time, by which is meant the span between the highest price paid and the lowest asked price.

It is also proposed that the Board be authorized on one or several occasions up to the following AGM to make decisions on the transfer of the Company's Class B treasury shares, disapplying the shareholders' pre-emptive rights. The shares may be transferred on Nasdaq Stockholm at a price per share within the registered span of share prices at the particular time. The authorization to transfer treasury shares is also to be limited so that the Board of Directors will not be authorized to transfer more than 30,796,767 Class B shares, taking into account the motion according to Item 19 below.

The purpose of the authorizations is to provide the Board of Directors with increased latitude in its efforts to shape the Company's capital structure and to create flexibility in the Company's opportunities to complete acquisitions of companies or business operations, as well as for cancellation through a reduction of the share capital.

Item 19 – Board of Directors' motion concerning a resolution to reduce the share capital through the cancelation of bought back shares, as well as a bonus issue

A. The Board of Directors' proposes that the AGM resolve to reduce the share capital by SEK 416,960 from SEK 12,975,667 to SEK 12,558,707. The reduction in the share capital is to be effected through the cancelation of 10,424,000 Class B shares, which are held in treasury by the Company and that have been bought back since the preceding AGM. The share capital is being reduced for an allocation to unrestricted reserves according to an AGM resolution.

B. The Board of Directors' proposes that the AGM simultaneously resolve to increase the Company's share capital through a bonus issue, as follows: Through the bonus issue, SEK 416,960 is to be added to the share capital, without issuing new shares. The purpose of the bonus issue is to restore the share capital following the reduction according to Item 19 A. The Company's share capital is to be increased through a transfer from unrestricted shareholders' equity.

Item 20 – Board of Directors' motion concerning a resolution to amend the Articles of Association

The Board of Directors proposes that the Articles of Association be amended as follows:

The Board of Directors proposes that the reference in Article 9 of the Articles of Association that pre-notification to attend a general meeting of shareholders shall occur no later than a certain time on the day stated in the official notification be removed, because the law only permits that pre-notification is to occur "no later than the day" specified in the official notification. Accordingly, the new wording will be:

Article 9

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.

Article 13

The Board of Directors proposes that the post-sale purchase clause in Article 13 be removed since there is only one holder of Class A shares. As a result of this, Article 14 (Amendments to the Articles of Association) will be renumbered Article 13.



Item 21 – Board of Directors’ motion for resolution concerning authorization of the Board to resolve on an issue of new shares with preferential rights for shareholders

The Board of Directors proposes that the Board be authorized, on one or more occasions until the next AGM, subject to the limits stipulated by the Articles of Association, to make decisions on the issue of a total of not more than 25,000,000 shares, with preferential rights for shareholders, in order to finance and ensure the continued expansion and development of the Company, its market and products.

Shareholder’s proposal for resolution concerning items 22-23 on the agenda

Item 22 – Shareholder proposal concerning a resolution to assign the Board to investigate the possibility of delisting the Company’s Class B shares from the Stockholm Stock Exchange and to subsequently list them on another marketplace

A proposal has been submitted by the shareholder Fredrik Vildö to assign the Board, assuming that the AGM adopts the proposal, to immediately investigate the possibility of a delisting of the Company’s Class B shares from the Stockholm Stock Exchange and to subsequently list them on another marketplace on which, according to the submitter of the proposal, the valuation and the treatment of the company would be more correct, fair and relevant. The proposal is to thereafter convene an Extraordinary General Meeting to pass a resolution on the matter.

Item 23 – Shareholder proposal concerning a resolution to a) assign the Board to demand full compensation from the party/those parties who has/have caused damage to the Company in the form of the payment of additional fees to Nasdaq OMX and b) to assign the Board to sue for damages the/those individual/individuals or legal entities who have blatantly damaged the Company’s reputation in the market

The following has been submitted by the shareholder AB Travota.

It has been evident in the media that an outsider (individual or legal entity) has disseminated information about the company and its future outlook (order bookings, invoicing, earnings, etc.) and that this information has damaged the company and caused the company to incur costs in the form of additional fees (sanctions) to Nasdaq OMX. Due to this information, we would like the company’s President to make a detailed account to the AGM concerning the events that have occurred and to specify which direct costs the company has incurred as a result of this party’s actions.

The shareholder AB Travota proposes that the AGM resolve to:

- a) Assign the Board, assuming that the AGM adopts the proposal, to demand full compensation from the party/those parties who has/have caused damage to the Company in the form of the payment of additional to Nasdaq OMX.
- b) Assign the Board, assuming that the AGM adopts the proposal, to sue for damages the/those individual/individuals or legal entities who have blatantly damaged the Company’s reputation in the market.

Board of Directors’ motions for resolution concerning Items 24 on the agenda

Item 24 – 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

A valid resolution pursuant to Item 17(i) above requires the support of a majority of more than half of the votes cast. For a valid resolution under Item 17(ii) above, it is required that the motion is supported by shareholders representing at least nine tenths of both the votes cast and the shares represented at the



FINGERPRINTS

AGM. For a valid resolution pursuant to Item 17(iii) above, it is required that the motion is supported by a majority of more than half of the votes cast. For valid resolutions pursuant to Items 18 – 20 above, it is required that the resolution has 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 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 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, no later than three weeks prior to the Meeting. 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 324,391,675. The total number of votes is 378,391,675. The Company's holding of treasury shares amounts to 10,424,000 Class B shares, corresponding to 10,424,000 voting rights in the Company that cannot be represented at the AGM.

Gothenburg, March 2017
Fingerprint Cards AB (publ)
Board of Directors