

Convening notice for 2015 annual general meeting in Precise Biometrics AB (publ)

Welcome to attend the Annual General Meeting (the "AGM") of Precise Biometrics AB, to be held at 4.00 p.m. on Tuesday April 27, 2015 at the head office of Precise Biometrics, Scheelevägen 30 in Lund, Sweden. Registration for the meeting will start at 3.30 p.m.

A. PARTICIPATION

Shareholders who wish to attend the AGM must:

- i) be recorded in the share register maintained by Euroclear Sweden AB, on Tuesday April 21, 2015; and
- ii) notify the company of their intent to attend the AGM at the address Precise Biometrics AB (publ), Box 798, SE-220 07 LUND, Sweden or by email to arsstamma2015@precisebiometrics.com, no later than Tuesday April 21, 2015, preferably before 4.00 p.m. When giving notice of attendance, the shareholder shall state name, personal identity or corporate registration number, address and telephone number. A proxy form is available on the company website www.precisebiometrics.com and will be sent by mail to shareholders informing the company of their address. Proxies and representatives of legal entities shall submit papers of authorisation prior to the AGM.

In order to be able to vote at the AGM, shareholders with nominee-registered shares must have the shares temporarily owner-registered with Euroclear Sweden AB. Such registration must be completed on Tuesday April 21, 2015 and should be requested in due time before said date.

B. AGENDA

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 one or two persons to approve the minutes.
6. Determination whether the meeting has been duly convened.
7. The Managing Director's report.
8. Presentation of
 - (a) the Annual Report and the Auditor's Report and the Consolidated Financial Statements and the Group Auditor's Report,
 - (b) the statement by the Auditor on the compliance with the guidelines for remuneration to senior management applicable since the last AGM, and
 - (c) the Board of Directors proposals under items 15-18.

FOR FURTHER INFORMATION, PLEASE CONTACT

Håkan Persson, CEO, Precise Biometrics AB
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9. Resolutions regarding
 - (a) the adoption of the Statement of Income and the Balance Sheet and the Consolidated Statement of Income and the Consolidated Balance Sheet, as per December 31, 2014,
 - (b) the appropriation of the company's loss according to the adopted Balance Sheet, and
 - (c) the discharge from liability of the members of the Board of Directors and the Managing Director.
10. Determination of the number of members of the Board of Directors.
11. Election of members and Chairman of the Board of Directors.
12. Election of auditor.
13. Resolution regarding fees to the members of the Board of Directors and the auditor.
14. Resolution regarding principles for appointing the members of the Nomination Committee.
15. Determination of guidelines for remuneration to senior management.
16. Resolution regarding (a) amendment of the articles of association, and (b) reduction of the share capital for allocation to unrestricted shareholders' equity.
17. Resolution regarding authorisation of the Board of Directors to resolve on new issue of shares and/or convertible bonds with deviation from the shareholders' preferential right.
18. Closing of the meeting.

Proposed resolutions

Proposal for election of Chairman of the meeting (item 2)

According to the principles for appointing the members of the Nomination Committee that were decided upon at the AGM 2014, the Chairman of the Board of Directors shall convene a Nomination Committee consisting, in addition to the Chairman of the Board of Directors, of representatives from three of the company's major shareholders as per April 30.

The Nomination Committee appointed for the AGM 2015, consisting of Torgils Knutsson Bonde (own holding) as Chairman of the Nomination Committee, Robert Andersson (Limhamns Förvaltning AB), Can Durmaz (own holdings, also through company) and the Chairman of the Board of Directors Torgny Hellström, has proposed Torgny Hellström as Chairman of the meeting.

Proposal for appropriation of loss (item 9b)

The Board of Directors proposes that the company's loss for the year, which amounts to SEK 36,824,588, is appropriated through a reduction of the share premium fund and that SEK 27,044,289 is carried forward. The Board of Directors proposes that no dividend is declared for the financial year.

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Proposal regarding number of Board members, election of members and Chairman of the Board and of auditor, and determination of fees (items 10-13)

The Nomination Committee proposes that the number of Board members shall be six, with no deputy members, and that the current Board, consisting of Torgny Hellström (Chairman), Torbjörn Clementz, Eva Maria Matell, Anders Harrysson, Matts Lilja and Mats Lindoff, shall be re-elected. Torgny Hellström shall be elected as Chairman of the Board.

The Nomination Committee proposes that the fees to the Board up to and including the AGM 2016 shall be increased. The Chairman of the Board shall receive SEK 500,000 (previous SEK 300,000) and each of the other members of the Board, not employed by the company, shall receive SEK 175,000 (previous SEK 150,000). Based on an unchanged number of Board members, the total remuneration would amount to SEK 1,375,000 (previously SEK 1,050,000). Remuneration for committee work is proposed to amount to SEK 25,000 for each committee assignment a Board member holds (previously SEK 25,000 for all committees).

Further, the Nomination Committee proposes that the increase of the fees shall be made retroactively so that the difference between the compensation resolved at the AGM 2014 and the compensation that is resolved at the AGM 2015 shall be paid for the period from January 1, 2015 until the AGM 2015.

Last, the Nomination Committee proposes that the accounting firm EY is elected as auditor of the company for a mandate period of one year and that the auditor's fees are to be paid as per approved invoice. The authorised public accountant Johan Thuresson is auditor in charge.

Proposal for resolution regarding principles for appointing the members of the Nomination Committee (item 14)

The Nomination Committee proposes the following amended principles for appointment of members of the Nomination Committee.

The Chairman of the Board shall convene a Nomination Committee which, in addition to the Chairman, shall consist of representatives from two or three of the company's largest shareholders in accordance with Euroclear Sweden AB's list of registered shareholders as of August 30. If any of these shareholders should wish to abstain from the possibility to appoint a representative, the right shall be transferred to the shareholder who after such shareholders has the largest holding in the company.

Details on the names of the members of the Nomination Committee and the names of the shareholders they represent shall be announced on the company's website at the latest six months before the AGM. The commission for the Nomination Committee shall continue until a new Nomination Committee is appointed.

A member shall retire from the Nomination Committee if the shareholder who appointed such member no longer represents one of the three largest shareholders or has sold its entire

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holding. Next shareholder in terms of size of holdings shall thereafter be offered to appoint a new member, if that is required in order to fulfil that at least two shareholders will be represented in the Nomination Committee. In the event that two shareholders are already represented, the Nomination Committee may decline to offer a new shareholder to appoint a representative in the Nomination Committee.

The duties of the Nomination Committee are to prepare, ahead of the AGM, proposals for the election of a Chairman at the AGM, the election of the Chairman and other members of the Board of Directors, principles for appointing the members of the Nomination Committee and, as applicable, the election of auditors and determination of fees, and other related issues.

The Nomination Committee is able to charge the company with necessary costs that may be required for the Nomination Committee to fulfil its commission. The members of the Nomination Committee are not entitled to any remuneration.

Proposal for guidelines for remuneration to management (item 15)

The Board of Directors proposes that the levels of remuneration and other employment terms for management shall be in accordance with the market and provide both short-term and long-term incentives.

The short-term incentives shall consist of both a fixed salary and a variable salary. The variable salary shall be based on the company's result and on individual goals. The variable part of the salary may amount to a maximum of 75 per cent of the fixed salary for the Managing Director and 50 per cent of the fixed salary for the other members of management.

Long-term incentives may consist of options or other share-based compensation programs. For the Managing Director, a mutual notice period of 6 months shall apply, and 3-6 months for the other management members. In addition, the Managing Director may be entitled to redundancy payment amounting to a maximum of 6 month salary, if the employment is terminated by Precise Biometrics. Other members of management shall not be entitled to redundancy payment.

The retirement age for all members of management shall be 65 years. Pension premiums are calculated in accordance with the company's pension scheme, which imitates the ITP2 pension scheme, and may amount to maximum 25 per cent of the fixed salary.

Proposal for amendments to the Articles of Association and reduction of share capital for allocation to unrestricted shareholders' equity (item 16)

A. Amendments to the Articles of Association

In order to resolve on reduction of share capital in accordance with the Board's proposal under item 16 B, the Board proposes that the provision on the limits of the share capital of

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the Articles of Association is amended as follows.

Current wording	Proposed wording
§ 4	§ 4
The share capital shall be no less than SEK 40,000,000 and no more than SEK 160,000,000.	The share capital shall be no less than SEK 5,000,000 and no more than SEK 20,000,000.

B. Reduction of share capital for allocation to unrestricted shareholders' equity

In order to better adjust the size of the company's high share capital to its business, the Board proposes that the AGM resolves to reduce the share capital as follows:

The company's share capital, which currently amounts to SEK 96,685,706.38, shall be reduced by SEK 86,326,523.56 for allocation to unrestricted shareholders' equity. The reduction shall be effected without retirement of shares and without repayment to the shareholders.

After the reduction, the company's share capital will amount to SEK 10,359,182.82, allocated between a total number of 345,306,094 shares. The reduction entails a reduction of the quota value of the shares with SEK 0.25, from SEK 0.28 to SEK 0.03.

The resolution on reduction of the company's share capital requires that the AGM resolves to amend the Articles of Association according to the Board's proposal under item 16 A, and the AGM's resolution pursuant to items 16 A and B should be made as a joint resolution. Such a resolution is valid only if it is supported by shareholders representing at least two-thirds of the votes cast as well as the shares represented at the AGM.

Proposal for authorisation of the Board of Directors to resolve on new issue of shares and/or convertible bonds (item 17)

The Board of Directors proposes the AGM to authorise the Board to resolve, on one or several occasions before the next AGM, on an issue of shares and/or convertible bonds. Such issue may entail a deviation from the shareholders' preferential right to subscribe for new shares and/or convertible bonds and also entail that payment of the new shares and/or convertible bonds may be made in cash or by consideration in kind or by right of set-off. The issue may result in an aggregate increase in the share capital corresponding to the issue of a maximum of 34,530,609 shares and/or convertible bonds to be converted into a maximum of 34,530,609 shares.

Full exercise of the authorisation, and where applicable full conversion, is equivalent to a dilution of approximately 10 per cent of the current share capital and votes. The Board shall be entitled to establish remaining conditions of the issue, including the issue price. The issue price shall be established based on the prevailing conditions on the market.

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The purpose of the authorisation and the reason for the deviation from the shareholders' preferential right is to enable the company, by way of issues of new shares/convertible bonds for payment in cash, in kind or through set-off, to effect company acquisitions, other strategic investments or to obtain capital contributions from new owners that are considered strategically important from an operational, financial, structural or other perspective.

C. AVAILABLE DOCUMENTS

The Nomination Committee's reasoned statement on its proposal for members of the Board of Directors will be available on the company's website, www.precisebiometrics.com. The Annual Report and the Auditor's Report, the statement by the auditor on the compliance with the guidelines for remuneration to senior management applicable since the last AGM and the complete proposals of the Board of Directors according to items 15-17 will be available at the company and on its website as from April 2, 2015. Copies of the documents will also be sent to shareholders who so request and state their address, and will be available at the meeting.

D. NUMBER OF SHARES AND VOTES IN THE COMPANY

As per the date of this notice, the total number of shares and votes in the company amounts to 345,306,094. All shares are of the same class.

E. INFORMATION AT THE ANNUAL GENERAL MEETING

At the AGM, the Board of Directors and the Managing Director shall, if a shareholder so requests and the Board considers that this can be done without significant harm for the company, give information on circumstances that can affect the judgement of an item on the agenda, circumstances that can affect the assessment of the financial situation of the company or its subsidiaries and the company's relationship with another group company.

Lund in March 2015
The Board of Directors
PRECISE BIOMETRICS AB (publ)

This press release contains information that Precise Biometrics is required to disclose pursuant to the Swedish Financial Instruments Trading Act (1991:980). The information was submitted for publication at 08.00 am on 23 March, 2015.

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