

**THE BOARD OF DIRECTORS' OF PRECISE BIOMETRICS AB (PUBL)
STATEMENT ON THE REMUNERATION COMMITTEE'S EVALUATION OF
REMUNERATION TO THE MANAGEMENT**

Since 17 May 2016, Precise Biometrics AB's Remuneration Committee consists of Torgny Hellström (Chairman), Anna Almlöf, Matts Lilja and Mats Lindoff.

The Remuneration Committee is responsible for preparing Board decisions regarding, among other things, evaluation of all programs for variable remuneration for executive management and the implementation of the Company's guidelines for remuneration to the management, and current remuneration structures and levels of the company.

Guidelines for remuneration and other terms of employment for management employees was approved at the 2016 AGM.

The Board hereby, pursuant to section 10.3 of the Swedish Code of Corporate Governance, submits the following report of the results of the above evaluation.

During 2016, the Remuneration Committee has followed and evaluated the Company's variable remuneration of management employees, as well as guidelines for remuneration to management employees.

The Remuneration Committee has evaluated the outcome of the variable remuneration for 2016 and have established that the current guidelines for the Company has been followed, and that these guidelines, in light of the described outcome, well met its objectives and worked as intended.

In addition, the Remuneration Committee has monitored and evaluated the remuneration structures and levels in the Company for management employees and the Remuneration Committee finds that these are competitive and well balanced. However, the Remuneration Committee believes that the remuneration structure should be complemented with a long-term incentive program for all employees with the purpose to ensure a long-term commitment among the participants through an incentive connected to the Company's future value growth. Against this background, the Board proposes that the annual general meeting resolves to adopt a long-term incentive program in the form of a subscription warrants program.

This evaluation has been presented to the Board, that can establish that both compensation structures that compensation levels, including bonuses, well adhere to resolved principles and meet the objectives that forms the basis for them.

Lund in April 2017
The Board of Directors