

LUND APRIL 9, 2021

## CONVENING NOTICE FOR 2021 ANNUAL GENERAL MEETING IN PRECISE BIOMETRICS AB (publ)

*Notice is given to the shareholders of Precise Biometrics AB, reg. no. 556545-6596, of the Annual General Meeting of shareholders to be held on Friday 14 May 2021.*

The Board of Directors has decided that the Annual General Meeting should be conducted by way of postal vote pursuant to temporary legislation being in effect in 2021. This means that the Annual General Meeting will be held without the physical presence of shareholders, representatives or third parties. The shareholders will therefore only be able to exercise their voting rights by postal voting in the manner prescribed below.

A speech by CEO Stefan K. Persson, in which he comments on Precise Biometrics' operations, will be published on the company's website [www.precisebiometrics.com](http://www.precisebiometrics.com) on or about 14 May 2021.

Information on the resolutions passed at the Annual General Meeting will be disclosed on 14 May 2021, when the outcome of the postal voting has been confirmed.

### **A. Registration and notification for the Annual General Meeting by postal voting**

A person who wishes to participate in the Annual General Meeting must

- i) be listed as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances on Wednesday 5 May 2021; and
- ii) give notice of participation by casting its postal vote in accordance with the instructions under the heading Postal voting below so that the postal voting form is received by Euroclear Sweden AB no later than on Wednesday 12 May 2021.

In order to be entitled to participate in the Annual General meeting, a shareholder whose shares are registered in the name of a nominee must, in addition to giving notice of participation in the Annual General Meeting by submitting its postal vote, register its shares in its own name so that the shareholder is listed in the presentation of the share register as of Wednesday 5 May 2021. Such registration may be temporary (so-called voting rights registration), and request for such voting rights registration shall be made to the nominee in accordance with the nominee's routines at such a time in advance as decided by the nominee. Voting rights registrations that have been made by the nominee no later than Friday 7 May 2021 will be taken into account in the presentation of the share register.

### **B. Postal voting**

Shareholders may exercise their voting rights at the Annual General Meeting only by postal voting in accordance with section 22 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations. A special form must be used for the postal vote. The form is available on the company's website [www.precisebiometrics.com](http://www.precisebiometrics.com). The postal vote form is considered as notice to participate in the Annual General Meeting.

LUND APRIL 9, 2021

In order to be considered, the completed and signed form must be received by Euroclear Sweden AB no later than Wednesday 12 May 2021. The completed and signed form must be sent to by mail to Precise Biometrics AB, "Annual General Meeting", c/o Euroclear Sweden AB, Box 191, SE-101 23 Stockholm, Sweden or by email to [GeneralMeetingService@euroclear.com](mailto:GeneralMeetingService@euroclear.com). Shareholders who are natural persons may also cast their votes electronically through verification with BankID via the Euroclear Sweden AB's website <https://anmalan.vpc.se/EuroclearProxy/>. To be considered, such electronic votes must be submitted no later than Wednesday 12 May 2021.

If the shareholder submits its postal vote by proxy, a power of attorney must be attached to the postal voting form. Proxy forms in Swedish and in English are available on the company's website [www.precisebiometrics.com](http://www.precisebiometrics.com) and also upon request. A power of attorney is valid (1) year from its issue date or such longer time period as set out in the power of attorney, however not more than (5) years. If the shareholder is a legal person, a registration certificate or other authorization document, not older than one (1) year, must be attached to the form, listing the authorized signatories.

The shareholders may not provide special instructions or conditions to the postal vote. If so, the entire postal vote is invalid. Further instructions and conditions can be found in the postal voting form and at <https://anmalan.vpc.se/EuroclearProxy/>.

**C. Shareholders' right to receive information**

The Board of Directors and CEO shall, if any shareholder so requests and the Board of Directors believes that it can be done without material harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda, circumstances that may affect the assessment of the company's or its subsidiaries' financial situation and the company's relation to another company within the group. A request for such information shall be made in writing to the company no later than ten days prior to the Annual General Meeting, i.e. no later than Tuesday 4 May 2021, at Precise Biometrics AB, Scheelevägen 27, 8th floor SE-223 63 Lund, Sweden, or by email to [arsstamma@precisebiometrics.com](mailto:arsstamma@precisebiometrics.com). The information will be made available on the company's website [www.precisebiometrics.com](http://www.precisebiometrics.com) and at the company's head office, Scheelevägen 27, 8th floor SE-223 63 Lund, Sweden, no later than Sunday 9 May 2021. The information will also be sent to any shareholder who so requests and who states its address.

**D. AGENDA**

Proposal for agenda

1. Election of chairman of the meeting.
2. Election of one person to approve the minutes.
3. Preparation and approval of the voting list.
4. Determination whether the meeting has been duly convened.
5. Approval of the agenda.
6. Presentation of
  - (a) the Annual Report and the Auditor's Report and the Consolidated Financial Statements and the Group Auditor's Report, and

LUND APRIL 9, 2021

- (b) the statement by the auditor on the compliance with the guidelines for remuneration to senior management applicable since the last AGM.
- 7. 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 31 December 2020,
  - (b) the appropriation of the company's result according to the adopted Balance Sheet, and
  - (c) the discharge from liability of the Board members and the Managing Director.
- 8. Determination of the number of Board members.
- 9. Resolution regarding fees to the Board members and the auditor.
- 10. Election of members and chairman of the Board of Directors.
- 11. Election of auditor.
- 12. Resolution on approval of remuneration report.
- 13. Resolution regarding the Board of Directors' proposal for guidelines for remuneration to senior executives.
- 14. Resolution regarding the Board of Directors' proposal for authorization of the Board of Directors to resolve on new issue of shares and/or convertible bonds.
- 15. Resolution regarding the Board of Directors' proposal for amendment of the Articles of Association.

### **Proposed resolutions**

#### **Proposal for election of chairman of the meeting (item 1)**

According to the principles for appointing the members of the Nomination Committee that were decided upon at the Annual General Meeting 2016, the chairman of the Board of Directors shall convene a Nomination Committee consisting, in addition to the chairman of the Board, of representatives from two or three of the company's major shareholders as per 31 August.

The Nomination Committee appointed for the Annual General Meeting 2021, consisting of Anna Sundberg (Handelsbanken Fonder AB) as chairman, Robert Vicsai (SEB Investment Management AB), Christer Jönsson (own holding), and the chairman of the Board Torgny Hellström, have proposed Torgny Hellström as chairman of the meeting.

#### **Election of one person to approve the minutes (item 2)**

The Board of Directors proposes Anna Sundberg (Handelsbanken Fonder AB), or to the extent she is prevented, the person appointed by the Board of Directors, as the person to approve the minutes. The assignment to approve the minutes also includes checking the voting list and that the received postal votes are correctly reflected in the minutes of the meeting.

#### **Preparation and approval of the voting list (item 3)**

The voting list proposed to be approved is the voting list prepared by Euroclear Sweden AB on behalf of the company, based on the general meeting share register and received postal votes, controlled and checked by the persons assigned to approve the minutes.

LUND APRIL 9, 2021

**Proposal for appropriation of result (item 7b)**

The Board of Directors proposes that the parent company's funds for disposal of SEK 72 113 530, after the loss of the year of SEK 14 637 521, is carried forward. The Board of Directors proposes that no dividend is declared for the financial year.

**Proposal regarding number of Board members, fees, election of members and chairman of the Board and election of auditor (items 8-11)**

The Nomination Committee proposes that the number of Board members shall be five, with no deputy members, and that Board members Torbjörn Clementz, Torgny Hellström, Mats Lindoff, Åsa Schwarz and Synnöve Trygg shall be re-elected. Torgny Hellström shall be re-elected as chairman of the Board.

The Nomination Committee proposes that the fees to the Board, excluding committee fees, up to and including the Annual General Meeting 2022 shall be unchanged SEK 1,305,000. The chairman of the Board shall receive SEK 545,000 and each of the other members of the Board, not employed by the company, shall receive SEK 190,000. Remuneration for committee work is proposed to amount to SEK 45,000 (35,000) for members of the Audit Committee, SEK 90,000 (70,000) for the chairman of the Audit Committee and SEK 25,000 for members and chairman of the Remuneration Committee.

Last, the Nomination Committee proposes, in accordance with the recommendation of the Audit Committee, that the accounting firm EY is elected as auditor of the company for a further mandate period of one year and that the auditor's fees are to be paid as per approved invoice. In the event that EY is elected, the accounting firm has informed that the authorized public accountant Martin Henriksson will be auditor in charge.

**Approval of remuneration report (item 12)**

The Board of Directors proposes that the Annual General Meeting resolves to approve the Board of Directors' report regarding compensation pursuant to Chapter 8, Section 53 a of the Swedish Companies Act.

**Proposal for guidelines for remuneration to senior executives (item 13)**

The Board of Directors proposes that the Annual General Meeting 2021 resolves on the following guidelines for remuneration to senior executives, mainly corresponding to the guidelines adopted last year but with the adjustment that the proposed guidelines also enables variable cash remuneration in the form of *long term incentive bonus*.

The individuals who are members of the group management of Precise Biometrics during the period of which these guidelines are in force, fall within the provisions of these guidelines. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the annual general meeting 2021. These guidelines do not apply to any remuneration decided or approved by the general meeting.

If a Board member performs work for Precise Biometrics in addition to the assignment as Board member, these guidelines shall apply to any remuneration related to such work (e.g. consulting fees).

LUND APRIL 9, 2021

The guidelines promotion of Precise Biometrics business strategy, long-term interests and sustainability

Precise Biometrics simplifies everyday life for people by developing solutions for convenient and secure identification and verification of people's identity. In addition to software for fingerprint recognition in mobile phones and payment cards, the company offers a product for quick and secure verification of digital identity. Precise Biometrics vision is enabling convenient and secure authentication of people's identity for everyone, everywhere. A prerequisite for the successful implementation of Precise Biometrics' business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. The objective of Precise Biometrics' guidelines for executive remuneration is therefore to offer competitive remuneration on market terms, so that competent and skillful personnel can be attracted, motivated and retained. These guidelines enable Precise Biometrics to offer senior executives a competitive total remuneration. Further information on the business strategy of Precise Biometrics is available at [www.precisebiometrics.com](http://www.precisebiometrics.com).

Long-term share related incentive plans have been implemented in Precise Biometrics. Since the incentive plans have been resolved by the general meeting, they are excluded from these guidelines. The incentive plans comprise, among others, senior executives and other employees in the company, and aims to offer employees an opportunity to take part of the company's value growth by promoting increased commitment and motivation to strive for a long-term favorable financial development in the company. The share-related incentive plans further contribute to strengthening Precise Biometrics' ability to recruit and retain qualified personnel and enables Precise Biometrics to offer a competitive total remuneration. The incentive plans are conditional upon the participant's own investment and holding periods of several years. The outcome of the incentive plans is currently related to the development of the company's share price on Nasdaq Stockholm. For more information regarding these incentive plans, please see Precise Biometrics website, [www.precisebiometrics.com](http://www.precisebiometrics.com).

Types of remuneration etc.

The remuneration to senior executives shall be on market terms and entail both short and long-term incentives. The remuneration shall consist of fixed cash salary, pension benefits and other benefits and may furthermore consist of variable cash remuneration. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remunerations.

*Fixed cash salary*

Fixed cash salary shall be on market terms and shall reflect the individual executive's responsibility, authority, qualifications and experience. Senior executives hired on consultancy basis shall receive remuneration based on market terms taking into account, to the extent possible, the overall purpose of these guidelines.

*Variable cash remuneration*

Variable remuneration shall be based on predetermined, well-defined and measurable financial and non-financial criteria for the group. The annual variable remuneration for the CEO may amount to not more than 75 percent of the fixed cash salary and may amount to not more than 50 percent of the fixed cash salary for other senior executives. The criteria for the annual variable cash remuneration shall primarily relate to the result, growth, financial position and operations of the group. In addition, individual criteria may be established.

In addition to annual variable cash remuneration, variable cash remuneration can be paid in the form of a *long term incentive bonus* (LTI bonus) which covers eight financial years. The LTI bonus shall be based on achieved growth criteria (net sales) during the years covered by the LTI bonus, provided that the net operating income is positive at the same time. The LTI bonus shall be combined with a shareholding requirement and requirement that part of the LTI bonus

LUND APRIL 9, 2021

shall be reinvested in shares. Furthermore, the terms and conditions contain that part of the LTI bonus is subject to deferred payment for a certain period of time, in order to contribute to a sustainable long-term growth. The LTI bonus consist of, up to a maximum of eight annual salaries for the CEO and for other senior executives up to a maximum of four annual salaries.

The criteria for variable cash remuneration shall be designed with the purpose of promoting Precise Biometrics' business strategy and long-term interests, including its sustainability, by, for example, be linked to the company's strategic focus areas and financial development. For the purpose of promoting a common endeavor of achieving the company's business strategy, long-term interests and a sustainable development of the company, and in the long run increased shareholder value, all senior executives shall substantially have the same criteria for variable remuneration. The satisfaction of criteria for awarding annual variable cash remuneration shall be measured over a period of one year and for LTI bonus the measurement period is continuous during the period of eight financial years covered by the LTI bonus.

*Pension benefits*

For the CEO, pension benefits shall be premium defined. Variable cash remuneration shall not qualify for pension benefits. Pension premiums for premium defined pension shall amount to not more than 25 percent of the fixed annual cash salary.

For other senior executives, pension benefits shall be premium defined unless the executive is covered by defined benefit pension according to mandatory provisions of a collective agreement. Variable cash remuneration shall not qualify for pension benefits, unless stipulated in applicable pension policy or mandatory collective agreement provisions applicable to the executive. The pension premiums for premium defined pension shall be paid according to a premium plan that shall take the executives' age and pension qualifying income into account. The pension premiums according to such a premium plan shall amount to not more than 25 percent of the pension qualifying income unless other premium levels are stipulated in mandatory collective agreement provisions.

*Other benefits*

Other benefits may include, for example, life insurance, health and medical insurance, occupational health service and company car. Such benefits may amount to not more than 10 percent of the fixed annual cash salary.

*Foreign employments and expatriated executives*

To the extent senior executives are covered by employment contracts subject to other rules than Swedish, these may be duly adjusted to comply with mandatory rules or established local practice. Executives who are expatriates to or from Sweden may receive additional remuneration and other benefits to the extent reasonable in light of the special circumstances associated with the expat arrangement. Such benefits shall amount to not more than 30 percent of the fixed annual cash salary. Remuneration covered by the guidelines in this part shall be determined with the overall purpose of these guidelines, to the extent possible, taken into account.

*Remuneration to Board members*

If a Board member (including a Board member acting through a wholly owned company) perform work for Precise Biometrics in addition to the assignment as Board member, certain cash remuneration may be paid for such work (consultancy fee) provided that such services promote the implementation of the business strategy, long-term interests and sustainability of Precise Biometrics. The annual consultancy fee shall be in line with market terms and be related to the benefits for Precise Biometrics and for each Board member not exceed the annual Board member remuneration. Remuneration to Board members, and other terms and conditions, shall be decided by the Board of Directors.

LUND APRIL 9, 2021

The satisfaction of criteria for awarding variable cash remuneration, etc.

The Remuneration Committee shall prepare, monitor and evaluate matters regarding variable cash remuneration on behalf of the Board of Directors. After the measurement period for awarding variable cash remuneration has ended, it shall be determined to which extent the criteria have been satisfied. Evaluations regarding fulfilment of financial criteria shall be based on established financial information for the relevant period. Remuneration to the CEO shall be resolved by the Board of Directors based on the recommendation by the Remuneration Committee. Remuneration to other senior executives shall be resolved by the CEO after consultation with the Remuneration Committee and the Board of Directors.

Variable cash remuneration can be paid after the measurement period has ended or be subject to deferred payment. Programs and criteria of variable cash remuneration shall be designed so that the Board of Directors, if exceptional economic circumstances prevail, has the possibility of limiting or refraining from payment of variable cash remuneration if such a measure is considered reasonable and compatible with the company's responsibilities towards shareholders, employees and other stakeholders. The Board of Directors shall have the possibility under applicable law or contractual provisions, to in whole or in part, reclaim variable remuneration paid on incorrect grounds (claw-back).

Employment term and termination of employment

Senior executives shall be employed until further notice or, when applicable, be hired on consultancy basis. Between Precise Biometrics and the CEO, a mutual notice period of not more than six months shall apply. Fixed cash salary and severance pay for the CEO during the notice period shall in total not exceed an amount corresponding to twelve months of fixed cash salary. At termination by the CEO, there shall be no right to severance pay.

Between Precise Biometrics and other senior executives, a mutual notice period of not more than six months shall apply. Other senior executives shall not be entitled to severance pay.

Senior executives may be compensated for non-compete undertakings after the termination of the employment, however, only to the extent severance pay is not paid during the same period of time. The purpose of such remuneration shall be to compensate the senior executive for the difference between the fixed cash salary at the time of termination of the employment, and the (lower) income which is obtained, or could be obtained, by a new employment contract, assignment or own business. The remuneration may be paid during the period the non-compete undertaking is applicable, and no longer than during a period of twelve months after the termination of the employment.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of Precise Biometrics have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

The decision-making process to determine, review and implement the guidelines

The Board of Directors have established a Remuneration Committee. The committee's tasks include preparing the Board of Directors' decision to propose guidelines for senior executive remuneration. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for senior executives, the application of the guidelines for senior executive remuneration as well as the current remuneration

LUND APRIL 9, 2021

structures and compensation levels in Precise Biometrics. The members of the Remuneration Committee are independent of the company and its executive management. The Board members, CEO, and executive management do not participate in the Remuneration Committee's or the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters. In connection with the proposal to supplement the guidelines with LTI bonus (2021), consultation have taken place with some of the major shareholders.

Deviation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure Precise Biometrics' financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines.

**Proposal for authorization of the Board of Directors to resolve on new issue of shares and/or convertible bonds (item 14)**

The Board of Directors proposes the Annual General Meeting to authorize the Board to resolve, on one or several occasions before the next Annual General meeting, 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 number of shares and/or convertible bonds to be issued by virtue of the authorisation shall not exceed 10% of the registered share capital (as per the date of the resolution on the issue of new shares and/or convertible bonds). The Board shall be entitled to establish remaining conditions of the issue, including the issue price. The issue price shall be determined in accordance with market practice.

The purpose of the authorization 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 strengthen the company's capital base in connection with company acquisitions or strategic capital or other investments, and to obtain capital contributions from new owners that are considered strategically important from an operational, financial, structural or other perspective.

*Voting majority*

Under the Swedish Companies Act, the resolution of the general meeting on authorisation for the Board of Directors to resolve on new issue of shares and/or convertible bonds requires the support of shareholders representing at least two-thirds of both the number of votes cast and the shares represented at the meeting in order to be valid.

**Proposal for amendment of the Articles of Association (item 15)**

According to Chapter 7, Section 4 of the Swedish Companies Act, the Board of Directors may collect proxies for the general meeting if provided for in the Articles of Association. According to Chapter 7, Section 4 a of the Swedish Companies Act it may also be provided for in the Articles of Association that the Board of Directors may decide that the shareholders shall be able to exercise their voting rights by post before the general meeting.



LUND APRIL 9, 2021

In order to be able to use the alternatives provided by the Swedish Companies Act with regard to decisions on proxy collection and postal voting at general meetings, the Board of Directors proposes that a new article 12 is included in the Articles of Association, with the wording set out below, and that the Articles of Association be re-numbered so that the current article 12 becomes article 13 and the current article 13 becomes article 14.

*Proposed wording*

§ 12 The Board of Directors may collect proxies pursuant to the procedure stated in Chapter 7, Section 4, second paragraph of the Swedish Companies Act (2005:551).

The Board of Directors may decide before a general meeting that the shareholders shall be able to exercise their voting rights by post before the general meeting pursuant to the procedure stated in Chapter 7, Section 4 a of the Swedish Companies Act (2005:551).

*Voting majority*

Under the Swedish Companies Act, the resolution of the general meeting on amendment of the Articles of Association requires the support of shareholders representing at least two-thirds of both the number of votes cast and the shares represented at the meeting in order to be valid.

**E. AVAILABLE DOCUMENTS**

The Annual Report and the Auditor's Report, the auditor's statement pursuant to Chapter 8, section 54 of the Companies Act and the Board of Directors' proposals in accordance with items 12-15 are presented by being available at the company and on the company's website [www.precisebiometrics.com](http://www.precisebiometrics.com). The documents will also be distributed free of charge upon request and notification of address. Information about proposed Board members and about the proposed auditor as well as the Nomination Committee's statement etc., can be found on the company's website, [www.precisebiometrics.com](http://www.precisebiometrics.com).

**F. NUMBER OF SHARES AND VOTES IN THE COMPANY**

As per the date of this convening notice, the total number of shares and votes in the company amounts to 360,231,467. All shares are of the same class.

**G. PROCESSING OF PERSONAL DATA**

For information about the processing of your personal data, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

Lund in April 2021  
The Board of Directors  
PRECISE BIOMETRICS AB (publ)