



## **The Board of Directors' report on the Remuneration Committee's evaluation of remuneration to senior executives 2019**

The Board of Directors of Fingerprint Cards AB has established a Remuneration Committee. The Remuneration Committee consists of Juan Vallejo (chairman of the Remuneration Committee), Sofia Bertling and Ted Elvhage. Since the Annual General Meeting in May 2019, the Remuneration Committee has held two formal meetings. The Remuneration Committee has the task of evaluating and consider all areas related to remuneration and terms of employment, and to prepare proposals for guidelines for remuneration to the CEO and senior executives.

According to the guidelines adopted by the AGM, Fingerprint Cards shall offer remuneration to senior executives consisting of fixed salary, variable remuneration, pension and customary insurance. Remuneration shall be market based, and variable remuneration shall be based on targets as proposed by the Remuneration Committee. In March 2020, the Board of Directors reviewed the remuneration structure for senior executives.

In 2019, variable remuneration to senior executives was based on both company goals (such as revenue, operating profit and cash balance) as well as individual goals. The Board's assessment is that variable remuneration, in combination with other remuneration, has served its purpose and is in accordance with the guidelines adopted by the 2019 Annual General Meeting. The Board's view is that the total remuneration is cost effective, as well as it motivates and rewards senior executives.

The new EU rules on shareholders' rights, which have been implemented through amendments to the Companies Act (Aktieföretagslagen) and the Swedish Code of Corporate Governance (Svensk kod för bolagsstyrning), mean that the Board's proposal for remuneration guidelines for the 2020 AGM differs from the guidelines adopted by the 2019 AGM.

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The Board of Directors  
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