

**RESOLUTIONS TAKEN AT PRECISE BIOMETRICS' ANNUAL GENERAL MEETING 2011**

At the Annual General Meeting of Precise Biometrics, which was held today on Wednesday April 27, it was inter alia resolved to increase the company's share capital by a new share issue with shareholders preferential rights to the company's shareholders and the introduction of a new incentive program. In addition, the Annual General Meeting approved the proposal of the board to authorize the board to increase the company's share capital by way of new issue of shares and/or convertibles, to adopt guidelines for remuneration to management and a minor change in the articles of association.

**Election of board members, chairman of the board and auditor**

All board members, namely Lisa Thorsted, Marc Chatel, Torbjörn Clementz, Eva Maria Matell and Lena Widin Klasén were re-elected as members of the board. Lisa Thorsted was elected chairman of the board. The Annual General Meeting also resolved that remuneration to the board shall be given, as before, so that the chairman of the board receives SEK 210,000, the other four board members that are not employed in the company receive SEK 105,000 each and that the auditor's fees shall be paid as per invoice.

**Dividends**

It was resolved that no dividends would be issued for the financial year of 2010.

**Guidelines for remuneration to management**

In accordance with the proposal of the board, the Annual General Meeting resolved to adopt guidelines for management principally entailing that remuneration and terms of employment shall be competitive and in accordance with market conditions, and that the remuneration shall have a pre-determined cap. The variable remuneration shall amount to a maximum of 50 % of the fixed basic salary for the Managing Director and 30 % of the fixed annual salary for other management employees. The variable remuneration regarding employees in the US shall amount to a maximum of 50 % of the fixed annual salary. Remuneration may also be paid by way of warrants and other share-related incentive programs. At termination of employment, a mutual notice period of 6 months shall be applicable for the Managing Director and 3-6 months for other management employees. Redundancy payment to the Managing Director may be paid by a maximum of 12 monthly salaries if the employment is terminated by the company. Other management employees shall not be entitled to redundancy payment. The retirement age for all members of management shall be 65 years and the pension premium shall be calculated based on age and salary and may amount to a maximum of 25 % of the fixed salary. The resolution entails a level of remuneration principally in accordance with that of the previous year.

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**Authorization for the board to resolve upon new issue of shares and/or convertibles**

In accordance with the proposal of the board, the Annual General Meeting resolved to authorize the board to decide upon an increase of the company's share capital through new issue of a maximum of 10 million shares and/or convertibles. Such issue may entail a deviation from the shareholders' preferential rights and also entail that payment of the new shares and/or convertible bonds may be made in cash, by consideration in kind or by right of set-off. Full exercise of the authorization, at full conversion, entails an increase of the company's share capital by SEK 5,4 million, which corresponds to a dilution of just below 10 % of the present share capital and votes. The purpose of the authorization and the reason for the deviation from the shareholders' preferential rights is to enable the company to effect payment of company acquisitions by the company's own shares and/or convertibles and to obtain capital contributions from new owners that are strategically important.

**Resolution regarding amendments of the articles of association**

The Annual general Meeting resolved that the company's share capital limits shall, following amendment to the articles of association, be amended from a minimum of SEK 14,200,000 and a maximum of SEK 56,800,000 to a minimum of SEK 40,000,000 and a maximum of SEK 160,000,000 and that the minimum and maximum number of shares in the articles of association shall be amended from a minimum of 35,500,000 and maximum of 142,000,000 to a minimum of 100,000,000 and a maximum of 400,000,000.

**Approval of the decision by the Board of Directors to issue new shares with preferential rights to the company's shareholders**

The Annual General Meeting approved the resolution of the Board of Directors of 25 March 2011 to increase the company's share capital by a maximum of SEK 21,593,728 by issue of a maximum of 53,984,320 new shares at a subscription price of SEK 1.00. The shareholders will have preferential rights to subscribe for the shares, whereby five (5) existing shares will entitle to subscription for two (2) new shares. In the event that all shares are not subscribed for on basis of subscription rights, allocation of shares shall be made within the scope of the maximum amount of the share issue, at which the Board of Directors shall allocate the shares primarily to those who have subscribed for shares on basis of subscription rights, pro rata in relation to their

subscription on the basis of subscription rights, secondarily to those who have declared their interest to subscribe for shares without subscription rights, pro rata in relation to their declared interest and last to guarantors in proportion to their guarantee undertakings. Record day for determination of shareholders entitled to participate in the preferential rights issue shall be May 3,

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2011. Subscription for the new shares shall be made during the subscription period as from May 5 up to and including May 20, 2011, or such later date as decided by the Board of Directors. Subscription on basis of subscription rights shall be made by simultaneous cash payment. Subscription without subscription rights shall be made on a separate subscription list and be paid in cash within three (3) banking days from when the Board of Directors' resolution on allocation has been sent to the subscriber, or such later date as decided by the Board of Directors. The new shares will entitle to dividend on the first record day for dividend that takes place after the issue of new shares has been registered by the Swedish Companies Registration Office (Sw: Bolagsverket).

### **Resolution regarding an incentive program for management and key employees**

In accordance with the proposal of the board, the Annual General Meeting resolved to adopt an incentive program for management and key employees by way of issue of a maximum of 7,1 million warrants, entitling to subscription for the equivalent number of shares during the period from 1 January – 30 June 2014. The subscription price at subscription for shares shall be equivalent to 220 % of the average share price during the period 2-13 May 2011. The warrants shall be directed to a wholly-owned subsidiary which shall, in turn, transfer the warrants to management and key employees of the group in Sweden in accordance with specific conditions for allotment. The reason for the deviation from the shareholders' preferential rights is that the Board of Directors is of the opinion that an incentive program which offers the new management team the opportunity to take part in an increase in the value of the company will enhance the commitment and motivation of the employees to work for a favorable financial development of the company. An incentive program is further expected to improve the possibilities to recruit and retain competent employees. Full subscription and full exercise of the warrants would entail an increase of the share capital by maximum SEK 2,840,000, which is equivalent to a dilution of approximately 5.3 % of the company's present share capital and votes.

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