

## **STATEMENT ON DETERMINATION OF REMUNERATION TO EXECUTIVE DIRECTOR AND SENIOR MANAGEMENT**

The main principles for Next Biometrics Group ASA (the "**Company**") executive remuneration policy is that senior executives should be offered terms that are competitive when salary, benefits, bonus and pension plans are seen as a whole.

Determination of salary and other remuneration to senior executives for the present year will take place in accordance with the above principle.

The Company has established an incentive program in which the Company offers employees and other key advisors share options in the Company. The Company wishes to renew the share option program and allow the board of directors to issue up to 290,000 new share options (equal to approx. 1.8% of the Company's outstanding shares as of the general meeting) which each entitle the holder to subscribe for one new share in the Company. The share options vest over a period of three years from allocation. 1/3 of the share options shall vest one year after allotment, and then 1/3 for each additional year. Exercise of the share options shall also be subject to fulfilment of certain achievement based conditions developed for each individual share option holder. Vested but unexercised share options will expire without compensation to the holder six years after allotment. The exercise price of the share options shall be equal to the average volume-weighted market price of the shares over the five last trading days prior to the date of grant, plus 10%.

The Company also wishes to establish a separate long term incentive plan for the new CEO of the Company, pursuant to which she will be granted 150,000 share options. Subject to the formal grant documents and defined performance-based vesting requirements determined by the board of directors, the share options shall vest following release of the results for the fourth quarter of 2020. The exercise price of the share options shall be equal to the average volume-weighted market price of the shares over the five last trading days prior to the date of grant, plus 10%.

The CEO is entitled to retirement plans, medical, dental, and vision and life insurance coverage, as well as to free phone and home office. The other senior executives are members of the company's pension scheme and have free phone and home office.

As for severance payments, the CEO is entitled to a severance pay equal to 12 months' base salary if the employment is terminated by the Company without cause, if terminated by the CEO for certain reasons or if terminated by the CEO upon a change of control. In addition, the CFO is entitled to 9 months' severance pay if the employment is terminated by the Company. As a guideline, the Company shall not agree to severance payment for senior executives, unless this is necessary to ensure the Company the necessary expertise and that it otherwise takes place in accordance with the main principles of the Company's remuneration policy as stated initially.

Details of remuneration to the Company management in 2016 are presented in Note 4 to the Annual Financial Report. In addition to the remuneration set out there in, the following members of the management have in 2017 been granted options (pursuant to the option program approved by the annual general meeting in 2016):

<b>Name / position</b>	<b>Number of options</b>
Ritu Favre (new CEO)	75,000
Tore Etholm-Idsøe (former CEO)	5,000
Knut Stålen (CFO)	5,000
Zehira Dadon-Sitbon (VP of Product and Program Management)	20,000

Remuneration of the Company's senior management for 2016 was made in accordance with the guidelines.